This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

WAR FINANCE

BY

C. W. BARRON

H801.206.15

Harvard College Library

FROM

THE QUARTERLY JOURNAL
OF ECONOMICS

Books by C. W. Barron

MANAGER OF THE WALL STREET JOURNAL, BOSTON NEWS BUREAU, AND PHILADELPHIA NEWS BUREAU

WAR FINANCE, as Viewed from the Roof of the World in Switzerland.

THE MEXICAN PROBLEM.

THE AUDACIOUS WAR

TWENTY-EIGHT ESSAYS ON THE FEDERAL RESERVE ACT

WAR FINANCE

WAR FINANCE

AS VIEWED
FROM THE ROOF OF THE WORLD
IN SWITZERLAND

BY

CLARENCE W. BARRON

BOSTON AND NEW YORK
HOUGHTON MIFFLIN COMPANY
The Riverside Press Cambridge
1919

HARVARD COLLEGE
JUN 11 1919
LIBRARY
From the
Quarterly Journal
of Economics.

COPYRIGHT, 1919, BY CLARENCE W. BARRON

ALL RIGHTS RESERVED

TO MY DAUGHTER JANE W. BANCROFT

I DEDICATE THIS BOOK

SHE SHARES WITH ME IN THE WORK

AS BOTH CRITIC AND INSPIRER

LINES FOUND ON THE BODY OF AN AUSTRALIAN SOLDIER KILLED IN BATTLE

Ye who have faith to look with fearless eyes,
Beyond the tragedy of a world at strife,
And know that out of death and night shall rise
The dawn of ampler life,
Rejoice, whatever anguish rend the heart,
That God has given you a priceless dower,
To live in these great times and have your part
In Freedom's crowning hour;
That ye may tell your sons who see the light
High in the Heavens — their heritage to take —
I saw the Powers of Darkness put to flight,
I saw the morning break.

PREFACE

BUT slight introduction is needed for these letters from Europe, with succeeding notes, on War Finance.

It was to get the causes underlying the European War that I visited England and the Continent in the autumn of 1914 and published early in 1915 *The Audacious War* dealing with the problems at the inception of the great conflict.

It was to study the finance under the war, its probable duration and its financial and economic results, that I left home in July, 1918, and visited England, France, Switzerland, and the devastated region behind the battle front. I returned in October, bringing my letters and notes, because no such matter at that time could be expected to promptly pass the censorship.

After publishing in the *Boston News Bureau* and *The Wall Street Journal* my observations from Switzerland, I was about to ask Washington permission to deal freely with our American supply bases, when it was announced that the censorship concerning such matters was lifted. I was therefore immediately free to give data that no other journalist had been in position in France to gather.

I concluded *The Audacious War* with a presentation of the one great result that ought to flow from such a

war — a league of nations to keep the peace of the world.

Again, in the spring of 1917, I studied, in Mexico, problems of international peace as I journeyed through the oil regions, west and south from Tampico. The data I there gathered I presented in *The Mexican Problem*. I found the same problems of interrelated war and finance in Mexico as in Europe. I now see the international unfolding of the larger problem, the brotherhood of man — brotherhood in war and in peace, brotherhood in trade and in finance.

Before this war nobody could dream of the democracies of the world fighting a defensive war at a cost of more than one hundred and fifty billion dollars, maintaining prices and exchanges on a gold base, making loans to one another of credits, supplies, and men, and all with such unity and harmony.

It will take years to unfold and prove up all the lessons for humanity from this war.

An issue rises before us that is greater than that of war or peace, or of international peace. It is the issue between the rights, wages, and duties of the living, and the rights, duties, and wages of accumulated capital.

It is the hope of the author that from beginning to end in this book, and especially in the final chapters, he has made some presentation that will assist to clear thought concerning the great economic issues now before the world.

C. W. Barron.

CONTENTS

I. On the Roof of the World 1
II. International Exchange 6
III. The Dangers of Peace 13
IV. The German Spy System 23
V. The German Government and People . 35
VI. The Weapons of Germany 44
VII. Starvation and Prisoners 51
VIII. Grippe and American Business 60
IX. The Big Bertha Business 67
X. Is there any Independence, Individual or National? 76
XI. Hindenburg and Muehlon, or the Lost Soul of a Nation 84
XII. Costs and Indemnifications 98
XIII. The Real Army Workers 107
XIV. American Railroads in France 118
XV. Camps, Hospitals, and Salvages 126
XVI. Our Warehouses and their Future . . 139
XVII. The American Influx 150
XVIII. The American Soldier 157
XIX. The French Restoration 166
XX. Airplanes and their Future 176
XXI. Airplanes and Quantity Production . 181
XXII. Taxes and Injustice 191
XXIII. Nations Small and Great 200

XXIV. Bohemia and Bolsheviks in Russia . 208
XXV. Master Workmen in London . . . 219
XXVI. What of England? 228
XXVII. Rulers of England 241
XXVIII. Human Defense and Development by Ocean 253
XXIX. Reconstruction Where? 263
XXX. The Red Cross and Red Russia . . 278
XXXI. Reconstruction for Man 289
XXXII. Poison Gas 301
XXXIII. The Problems for 1919 310
XXXIV. Free Trade and Protection . . . 321
XXXV. The Biology of War 330
XXXVI. Canada's Advantages 342
XXXVII. The Necessity for Capital Accumulation 354

WAR FINANCE

Fruits, flowers, and powers grow in Switzerland as nowhere else. And if the melting snows of these mountains were harnessed, the descending powers could light the capitals of Europe.

Is Switzerland a nation? — Only by self-determination, for seventy-one per cent of her people speak German, and less than twenty-five per cent speak French.

Is this a religious war? It is the greatest religious war the world has ever known, for on one side is the war for human freedom without which there can be no true religion, and on the other side it is a war for enslaving power — power to the *n*th degree as the ultimate end and good, Germany to be that power and good over all the world. All good things are German, and all German things are good; Good must rule; Germany is the super-nation and will create the super-man. Worship, praise, and fight for Germany!

Dante imaged the hells; Swedenborg classified them; Germany has exemplified them. Dante saw men in tortures for sin; Swedenborg saw them in the pleasures and insanities of sin; the world sees Germany in the pleasures and insanities of a sinful war, and will yet see her writhe in the tortures of the damned beyond the dreams of Dante.

FRIGHTFULNESS

A HELL once established creates its own penalties. Frightfulness returns unto its authors. Only those

who know fear could invent terrors or hope to win by terrorism.

In the invention of frightfulness as a weapon of war is the confession of the weakness of war. I never understood it as respects Germany until I listened of late to the story of a Belgian countess.

When the German massacres in her village were finished, the Germans having slain all the old men and young girls they desired, the countess said to a young German soldier: "Why, why did you kill these innocent people?" And the answer is the keynote to the German side of this war in its beginning and in its ending.

"Madam, we were afraid!"

Look at the statistics — more insanity, more nerve weaknesses, more suicide, more offenses against innocence, in Germany than in any other country in the world.

Ask French, English, or American nurses, and the testimony is unanimous that the German more easily gives way, and becomes a cry-baby and a blubberer in advance of any other soldier. The German has no sustaining faith. He was taught to envy and fear France, and then his fears were transferred to Russia.

His treachery, deceit, and spy systems, are based on fear. He has no individual faith or confidence. He must move in organization under orders from his captain and the rule of his Kaiser.

Now he faces defeat in dread and fear.

PEACE PROPOSALS

For several months he has been trying to put through Switzerland arguments to all the allies as to why peace should be negotiated with Germany, and again the German shows his fear and argues through frightfulness.

From Berlin comes up the argument through Switzerland to the banking and political powers of the world, "Don't you want to stop the spread of Bolshevikism?"

"Don't you want Germany to stand as the defense of Europe against the menace of Russia? Are you willing to stand by and see war destroy accumulated wealth and capital, the flower of the human race, civilization itself?"

And when all arguments fail, down comes the argument of tears. I have it on very high authority that the German has been as well trained in preparation for peace in defense as he has been trained in preparation for attack in war. Before the war, the Germans did not hesitate to say: "We shall carry the next war with all frightfulness; our enemies are Christian people and will not punish us if we fail."

TEARS AND FEARS

Now comes down the final argument. It is whispered into Switzerland straight from the circle about the "All Highest." "Quickly, quickly, put it up to

your governments that if they continue to refuse to discuss terms of peace with us, they may be responsible for a *débâcle* in Germany greater than that in Russia. When the military gives way before the allied pressure, nothing can hold the civil population and they will murder and prey upon one another. Quickly save European civilization from such an end."

And this argument has been made before citizens of the allied powers resident in Switzerland, and made with tears streaming down the faces of the official messengers. The answer has been, "We distrust your tears, and we distrust your terms and your treaties."

And as to terms, only two terms have been named by the Germans. They will surrender seized territory, they will indemnify, they will pay. All that Germany asks is, first, that the German Government shall not be put in the wrong before her people, and second, that the people shall have access to free raw materials, but even this second term can be discussed. All they really ask is the first, which is in effect, "Save our face."

LETTER II

INTERNATIONAL EXCHANGE

September, Somewhere in Switzerland

WAR finance burns at your finger-tips when you come to pay your hotel bill here, and find that no less than 1000 French francs are required to pay 750 francs to the Swiss. Before the war French paper was at least the equal of the Swiss. Under the Latin Union Convention of 1879–85, French, Italian, Belgian, and Greek silver still circulate here on a parity with the Swiss.

You promptly turn your few American bills into Swiss money at full value of five francs to the dollar, and casually ask if gold would bring more. The answer is, "We have no use for gold, but if you wish you can turn it into the bank at full value. There is no other demand for it, and trade in it is forbidden."

Then you recollect that nowhere from the shores of America to the Swiss frontier has there been any more rigorous customs inquiry than as to the money you carry out of one country into another. Both sides of every international border will question you as to the gold or money you are taking in or out. And everywhere there will be legal or illegal limitations.

GOLD ONLY FOR GOVERNMENTS

YOU may leave France with only two hundred francs of paper money. In America you are allowed to leave the country with only $200.

You can take gold out of the United States only on special license, and you must have Treasury permission for a letter of credit of more than one thousand pounds.

To-day all over the globe gold is moved from one country to another only by governments or government permission.

Compared with food, the gold supplies are doubly precious, for gold is under your paper credit, and your paper credit under all food and all prices.

Fight it as you will, gold is still a weapon superior to either lead or steel, and individuals may not be trusted to handle it. In other words gold sustains all national defense, but sustains it invisibly, for nobody sees it, and, indeed, nobody appears individually to want it.

It somehow assists to support the public or patriotic confidence under this dirty paper, the contamination of which you try to dodge everywhere.

DIRTY PAPER

ENGLISH one-pound notes are printed on specially thick, heavy paper of parchment texture, and were evidently meant to go in the washtub, but nobody takes the trouble to wash them. They are greased

and creased and sweated. The only satisfaction in handling them is that you can get rid of them quickly, indeed more quickly than ever before.

As you handle the crumpled, blackened, small-change paper issued by local chambers of commerce in France running down into the centimes, and for Swiss National Bank notes change your crisp English five-pound notes, which may still be had clean, you wonder what the Swiss hundred-franc notes would look like if the green and blue paper colors were removed from beneath the dirt.

You regret your education in the chemistry of microbes and that you ever complained in former days of carrying while in Europe two leather purses, one for gold and one for silver.

The war has not yet been brought home to America. In Europe it distresses your digestion, dirties your hands and pockets, and refuses you a hot bath after travel.

In both France and Switzerland you are told, "Non, non, Monsieur, there is no hot water for baths except Sunday and sometimes Saturday" — and then you realize the possibility of coal being at a premium over gold.

GOLD AND COAL

But what about Germany and her gold and coal? Germany is able to balance her gold with the coal she has stolen from Belgium and France. Germany

has summoned all the gold of the Empire to come into the Reichsbank under her paper and credits, and has put her gold reserve up only from $300,000-000 to $600,000,000 while the United States has expanded her gold reserve from $1,000,000,000 to $2,000,000,000.

The Swiss can get coal only from Germany, and for it they must pay with both dairy products and chocolate. They must give the same commodities to Austria for beet sugar.

ALLIED NATIONS REGULATE SWISS TRADE

THE singular feature of this arrangement is that Switzerland has to get the consent of the Allies as to the amount of cheese, beef, etc., she is permitted to send into Germany and Austria.

Thus are the Allied nations regulating trade through Switzerland, but nobody can prevent poor Switzerland paying fifty-five dollars a ton for coal.

Notwithstanding this high price, it is insufficient to sustain the German credit above fifty to fifty-five cents on the dollar, for her paper marks, when they get out of the country. That is their value in Switzerland and in other neutral countries.

Daily and hourly the rates of exchange in international credits are noted at all the Swiss commercial centers. There is speculation in credits and exchanges on the Bourses and put and call markets, but no speculation is permitted in gold. Speculators buy up

credits in anticipation of a demand and sell them at an advance. But all the nations keep close watch on neutral countries like Spain, Holland, Scandinavia, and Switzerland, to note, and, if need be, counteract any adverse influences from Germany on their credit.

GERMANY NOT FIGHTING FINANCIALLY

Officially and unofficially in banking circles I have received denials that there were sinister German influences at work in the international credit markets.

As there must be more or less speculation in international credits, sentiment has its play and sentiment is affected by the tide of battles. The German drive, begun March 21, had serious effects upon the international exchange of the Allies; the American successes restored it.

But the great influence on these exchanges in raising the credit of all neutral nations and decreasing the credit of all warring nations is to be found in the imperial commercial demands of the warring powers. France and England are buying heavily in Switzerland, and paying high prices for Alpine lumber, useful in trench work. Chocolate is not permitted to cross the frontier. While one of the features in Paris is the populace waiting in long lines at the grocery stores from morning to afternoon or until the chocolate for the day is all gone, you can find the chocolate piled high in the shop windows and at the country fairs in Switzerland.

The Swiss watch-makers are most deft in making fuses, and all the nations are through Switzerland paying patent royalties on Krupp fuses, according to information I received here which ought to be correct.

SWISS PROSPERITY

SWITZERLAND is a land largely owned and ruled by hotel-keepers. Except at intervals her frontiers are closed by every one of the four nations surrounding her, and for the most part her hotels are closed. But when the Swiss officials figured on her financial position last spring and footed up the cost of her mobilization and balanced it against her international trade, they found that while the war had cost them a billion, trade with the four warring nations surrounding her had returned her two billion. The balance was on the right side of the ledger by one hundred per cent, and the Swiss banks are as never before full of money. Switzerland formerly invested largely in German securities, and outside of Geneva, closely associated with the French, the language of Switzerland is German.

If the United States wishes to rectify its exchange with Switzerland, it should send some of its idle and enterprising young bankers into Switzerland to invite investment in sound American railroad securities.

The New York Central that the English sold us

at 112, and cannot now buy back, can be had by the Swiss on the present exchange market at under 60, and it is not often that the Swiss have had the opportunity to get a five per cent American railroad stock netting over eight per cent.

LETTER III

THE DANGERS OF PEACE

Berne, Switzerland, September

GERMANY is beaten, and knows she is beaten, but she still hopes to triumph in the peace terms and to win economically.

If Germany is left with Russia or with Austria and her Mittel-Europa plans, cutting off western Europe, she will have won the war and can afford to pay an indemnity of $30,000,000,000 to secure immediate peace and to enter the international race for trade supremacy in the future on both land and sea.

She has been maneuvering for peace every month this year, and had her plans laid skilfully to that end far back of this year. She has her peace envoys in Italy, England, and the United States. They are publishing letters, articles, and books most adroitly phrased to emphasize German values to the world. She knows every German sympathizer in every country and has pigeon-holed and docketed the measure of his power and influence.

AFTER PEACE THE REAL WAR BEGINS

THOUGHTFUL people here recognize that between now and next summer is the most dangerous epoch in the world's history. The danger is that the war may end

too soon. Indeed, it is said here that with the ending of the war, the war begins.

To the German mind there have been a few tactical, diplomatic, and economic mistakes in Germany's plans, but from the experience of this war these can all be avoided in the next war.

Germany prepared and filled her storehouses for a war of four years. She boasted this at the Hague Peace Conference and knew that the rest of Europe had no preparations to enter a four years' war. But the great mistake of Germany is now recognized to be the miscalculation concerning the U-boat. The Germans believed they had submarines enough to bring England to starvation and terms of peace before the United States could enter the war.

German statesmen privately declared, "If our submarines are as effective as we think they will be, in a war of unlimited frightfulness against British shipping, so far as we are concerned, Columbus need never have discovered America."

BETWEEN TWO FIRES

SWITZERLAND is in a delicate position. She cannot afford to be outwardly pro-Ally, for her economic life is dependent upon Germany and Austria when her southern and western frontiers are absolutely closed to free commerce and the world.

When a Swiss bank issues a pro-Ally circular, the Germans demand a change in that bank and get it.

Publicly, the Swiss bankers must proclaim the greatness of Germany. Privately, they will tell you that Germany cannot win; that the preparations of the United States are simply "énorme," and that the war must end in less than a year with the military decision against the Hun.

STONES FROM THE SWISS

I ASKED a Swiss banker, a personal friend, for the absolute truth as to the sentiment here, and he said frankly, "I can't give you that letter of introduction, but I will write or telephone and when you see Director —— you will get all the information you wish. You must remember the position in which Switzerland is now placed. Although the people speak German and cannot speak freely, I will tell you that when the defeat of Germany is well certain, there will not be stones enough in Switzerland for the Swiss to throw at the Germans."

A MILITARY DICTATORSHIP

BUT peace must be well secured. I hear reports from Berlin coming up to the best-informed circles in Switzerland that the Kaiser is likely to be set aside. But this will not indicate any change in the Hun plans. Indeed, it is the military party and not any democracy that proposes his abdication and the vesting of all authority in a military dictatorship.

It is the Teuton mind which must be dealt with.

All Germany has become Prussianized through a military system that has taken the universities and all education under its tutelage, and made a new system of human thought and of morals and religion.

A learned professor told me he had nearly gone crazy trying to understand the new German mind that Prussian militarism had produced. He finally solved the problem when from personal contact with their statesmen, philosophers, and teachers, he reversed all sound morality and philosophy. He said to me: "For years I thought Germany was misled by philosophy. I know now that this philosophy has become a religion and it is a religion of the devil. It says, 'Evil, be thou my good! Power, be thou my God!' As you study this bedeviled Prussianized mind, you begin to believe in a personal devil, rivaling divine omnipotence. No human mind could conceive or execute the plan in its multifarious detail, which comes forth from Germany to strangle the world and humanity.

EVIL FROM THE LOVE OF EVIL

"You could not conceive, unless you had studied the Germans as I have, that men could love evil for evil's sake, murder for murder's sake, steal for the love of stealing, lie for the love of lying, in fact, do all evil things from the lust for evil.

"I know men high in Germany whose delight is the execution of their part in these evil designs upon the

world. They deliberately love evil and pursue it as an end."

The problem of how to deal with such a people and produce a lasting peace is greater than the problem of the war itself. Julius Cæsar, fifty years before the birth of Christ, spoke of the Germans as "that treacherous race which is bred up from the cradle to war and rapine" who "practice the base deception which first asks for peace and then openly begins war."

I have received two answers to the problem of how to deal with this question of peace. One is from the statesmanship of England, and the other from an American statesman in Paris. The first declared to me, "I doubt if there is ever any peace treaty signed at the conclusion of this war. The Germans use a treaty of peace only for purposes of deception. I think President Wilson's answer will be, 'You have shown that you cannot be trusted. These are our terms of peace and they demand performances, not promises. You say you are ready to do this, that, and the other. Go ahead, and do them. Your performance is the only peace compact we will have with you.'"

TUTELAGE FOR GERMANY

THE American statesman in Paris said: "The safety of the world is in an American missionary movement in Germany. We are spending billions in this war. Why not supplement the war expenditure with a few hundred millions for missionary work to reëducate, and,

if possible, put the principles of the Christian religion into Germany? The mind of her people is submerged under militarism, paganism, and the worship of power as the supreme good. Germany is a menace to the world until the world can get a measure of Christianity into her organization and impulses. This is a task that can best be undertaken from the United States."

The ablest student of the situation in Switzerland says: "Why Germany went to war is still a mystery. She would have owned the earth in fifteen years if she had continued her business and social interpenetration of all the other nations. There is only one safety for the world and that is to crush the power of Germany by force, and then put her under restraint and tutelage. To-day every means to the end of power is justified to a German. But if they can't win with terrorism, they are now ready and trained to win with tears. The only defense is a strong Anglo-Saxon-Latin union, holding Germany in disarmament that the peace of the world may be kept."

HOW GERMANY LOST IN RUSSIA

THE blindness of the German Government and people concerning national and international sentiment is something stupendous. They see only the object directly in front of them, and estimate the force necessary to attain it, and then they are surprised when, having attained their object, they find they have really blundered from lack of any far-sightedness.

Diplomacy is but courtesy, and the people who know nothing of national kindliness go blundering on and criticizing their own leaders for lack of diplomacy.

Had the Germans shown any kindly spirit at Brest-Litovsk, or any ambition to do anything for the Russians, they would have mightily stimulated their peace programme in other countries. But all they gained in their so-called Russian treaties was lost tenfold in the effect upon other nations. The will to war became stronger with the Allies. The peoples and small nations with which the Teutons were associated and whom they hoped to bind closer were simply alarmed that Germany showed herself as brutal in peace as in war.

THE UKRAINE SETTLEMENT

In the settlement with the Ukraine, it was agreed that the surplus wheat of the Ukraine should go to Germany. Finding no surplus wheat, the Germans proceeded to shoot down the farmers, thereby making surplus of all they had. In Roumania, all foreign oil companies were confiscated by the Germans, and it was likewise provided that all surplus wheat should go to Germany. Later it was discovered that a commission in Leipzig was to determine what was surplus and also the price. When the Roumanians complained, the Germans said, "You will not complain when you see the terms we will impose on France and England."

BULGARIAN METHODS

Not only are the Hun methods despised among all the nations of the earth, including Austria and Turkey, but clashes within the Teuton-Turk alliance are not infrequent.

Germany several times protested to Bulgaria concerning the shooting of German officers by Bulgarians for invasion of their homes. But the response that came back from the Bulgarians was that the cause of these shootings was entirely with the German officers themselves. And if the attempted invasion of Bulgarian homes by German officers continued, the shootings would continue; for according to Bulgarian law, every home invader forfeited his life, and no exception would be made in the case of German officers.

Although Germany paid King Ferdinand 500,000,000 marks to enter the war and supported the Bulgarians to the extent of 50,000,000 marks per month (the subsidy to Turkey was much larger) the Bulgarians have long been dissatisfied and anxious to be free from Teuton dominion.

For many months they have been putting up proposals through Switzerland in the endeavor to get terms from the Allies.

It is useless to go into these detailed proposals because the United States would not listen to them. The Bulgarians are a Tartar people and in cruelty and treachery they equal the Hun.

NO DEMOCRACY IN GERMANY

THERE are no indications that the Germans are desirous of any form of self-government. From time immemorial the Hun tribes have demanded leadership and war. Democracy is farthest from their thoughts. The education of the German does not lead him towards democracy. He has been taught to worship organization and war autocracy, and he must serve under that organization or be lost. In Mexico the peon will not work unless he has a boss and the right to be indebted to him.

It is the plastic unassertive mind of the Teuton that makes Prussian military autocracy so dangerous to the world. Here are the increasing masses to be moulded for assault upon their neighbors, and these masses have no desire for moral or spiritual leadership, only for the leadership of force.

THE RUSSIAN MENACE

IF the peasantry of Russia can be annexed to the peasantry of Germany under Prussian despotism, no man can measure the combined destructive power upon the liberties of the world.

European friends of mine, thoroughly familiar with Russia, declare that millions of people can be enlisted in that country to fight for Germany for provisions, pay, and promises. The Czar, the Kaiser, or whoever is in power, are all alike to them.

STRENGTHENING THE LINE FOR A PEACE BASE

More than a year ago the German General Staff warned the Kaiser that he must shorten the line by retirement to the heights of the Meuse or he would soon have no military reserves. He then declared that reserves were not so important as a contented civil population. Now it is absolutely necessary for the Germans to give up a large section of France, and possibly Belgium, to save man power, and entrench for the winter.

There are only a few weeks more of fighting weather. When the November rains descend, no troops or guns can move in the mud of eastern France.

October must witness a general German retirement, and then comes the most dangerous time for the world — the German struggle for peace.

LETTER IV

THE GERMAN SPY SYSTEM

Switzerland, September

"SWITZERLAND is sulphurous as hell with German schemes," said a friend to me on my arrival. Where all the money comes from that the Germans spend on schemes here is a mystery even to the Swiss. German money and German influence are everywhere and in everything. For many months the Germans seemed bent upon buying up every industry where they could use a Swiss trade mark to promote German goods after the war. This alarmed the Swiss people, who feared that any boycott against German goods might include all Swiss manufactures.

The German spy system is really a reacting blunderbuss. It is the product of German fears and German pettiness in detail causing them to overlook so often the controlling factors.

The moment the Germans began handing out millions in the United States to buy newspapers, mount street orators on soap boxes, and start camouflaged munition works, they really advertised their own bad works and silenced all honest opinion for Germany.

CINEMA PROPAGANDA

THEY wanted an organ in Switzerland and bought one of the leading newspaper properties for 2,000,000

francs, or more than double its previously quoted value. They bought up sixty cinema houses and gave entertainments to the people at reasonable prices and delicately sandwiched in war pictures to show German "Patriotism and Unity," German "Organization and Efficiency," and German "Humanity." Films were also shown representing "Destruction by the Enemy." Such pictures could be taken from any old ruin and would do service as the labels were all put on at Berlin.

These moving-picture places of entertainment were supposed, of course, to be neutral. When, however, some of the Allies offered films, they were immediately rejected. Then the Allied interests began opening moving-picture shows. The Germans saw their mistake and immediately opened their houses to Allied films, thus keeping the moving-picture industry in their own hands that the "propaganda" might be worked when more welcome.

OFFENSIVE GOOD-WILL

After the March 21st drive Swiss hotels were very uncomfortable for people from neutral countries. The Germans had two thirds of the Bellevue Palace Hotel dining-room and welcomed each other with drinks to "Der Tag" and the Kaiser. They seemed oblivious of the fact that the staff of the Swiss army occupied the first story of this leading hotel. The Allied diplomats were crowded into a corner. But when

the Foch offensive got under way the German part of the dining-room began to shrink. Now the Germans are eating largely upstairs in their own rooms and keeping very quiet. They are still ambitious to make friends with everybody. They cannot understand why Allied diplomats will not recognize or speak with them. In the recent convention for the exchange of English and German prisoners, the Huns were most effusive in their polite attentions, and when, at the conclusion of the conferences, they came forward for a hand-shake, they were astonished to find the English commissioners folding their arms and completely ignoring any German overtures.

NO FREE PRESS IN GERMANY

Not only do the Germans pay the closest attention to store exhibits, newspapers, and every form of printed matter in a neutral country, but they watch carefully the dissemination of any intelligence among their own people. It is a mistake to suppose that Wilson's messages permeate Germany. Only garbled extracts with German comments have been allowed to reach the German people. Of course, the German authorities wish it to be thought that their intelligence channels are perfectly open, that the Germans have a free press, and that all of President Wilson's statements are received and rejected by the Germans, but it is false. Wilson's declarations have never been put before the people of Germany. But they have been

thrown over the line from Allied aircraft by the million. At first the Hun soldiers were forbidden to touch them. Then, lest the people should get them, the soldiers were given pfennigs for quickly gathering them up and bringing them to headquarters.

So far is the German deception carried that articles are sent out of Germany by telegraph and wireless as having been published by certain influential papers in Germany. Such articles never appeared except perhaps in a few copies specially made.

Copies of German papers with pro-Ally statements should be accepted with suspicion. They may be specially prepared as are the American papers circulated in German prisons.

FAMILY AND HOTEL SPIES

SOME years ago an American, taking a "cure" at a German watering-place, fell in with a German diplomat. They took long walks and dined together over a period of some weeks. Each tried in vain to understand the other. The German admitted that in the diplomatic service in Russia his business had been that of corrupting the Russian officials and demoralizing the Russian leaders. He declared mankind could be classified under the two headings, "cupidity" and "stupidity," and that through the manipulation of both classes, Berlin would control the world. The good and moral people of the world were simply stu-

pid and of limited activities. There were no moral bounds for German statecraft.

A few years later, my friend had absolute proof of the truth of the confession of that German statesman — now in the Cabinet of the Kaiser. He discovered something wrong in his household, found one of his servants a German spy, and discharged her. The incident had dropped from his mind when, in one of the European foreign offices, he was asked if he would like to see a photograph of his own home. He was thereupon shown copies of all the letters this spy had sent to Berlin. These letters gave the names and standing of all the American, English, French, and Italian people who had called upon him at his home, a narration of the conversations carried on, etc., etc.

When I reached Berne, I was quietly notified by an American friend: "If you have any papers you do not wish copied, keep them in your pocket. My bags in this hotel have, to my certain knowledge, been gone through at least four times. Nothing is stolen, I have nothing worth stealing, but memoranda and copies are made from all my papers. I only laugh because of the wasted labor. My fun was to find out the system. It was very clumsy. You are watched as you leave your hotel, and should you start suddenly to return, a signal goes up from the street, and your room is as quiet and orderly on your return as you could wish."

GERMANY MUST NOT BE EXPOSED

THERE is one thing the German dreads, and that is any physical demonstration that he is in error or has done anything wrong. He is intolerant of any exhibits against him.

Dr. Newell Dwight Hillis, successor of Henry Ward Beecher in the Plymouth pulpit, has made notable campaigns across the United States and assisted in the raising of three hundred millions by Liberty bond subscriptions. One of the European governments has made extracts from his addresses to the American people and published many million copies of them under the title "Murder Most Foul." I have met several people in Europe who knew of Dr. Hillis only by that pamphlet so widely distributed.

Last year Dr. Hillis was in Belgium. This year he has been in Switzerland and through the German-devastated country in France.

In the exchange of German-English prisoners, arranged through Switzerland, five hundred English boys reach Berne three times a week from the seven hundred prison camps of Germany. They arrive at 5 A.M., and get their hot coffee, breakfast, kit of toilet articles, etc., from the English women's committee and are off an hour later.

One of them smuggled through his loaf of German prison bread. Hillis promptly secured it. It was his "Exhibit A" for his next campaign. It had an auger

hole through it to show the straw, sawdust, and other bread "substitutes." Hillis treasured it carefully as he packed for departure and made it a separate parcel for safe conduct. He stepped into another room to speak to a friend, and, returning in ten minutes, found his treasured "Exhibit A" had vanished. Hillis was as angry as he had been over the atrocities in Belgium. The hotel proprietor could only summon his servants, interrogate them, and protest that they were all honest. Nothing could avail to resurrect "Exhibit A." Hillis could only console himself that he had received ocular demonstration of the German spy system. But what would the Germans care as to what he might say? He had lost the proving exhibit in his case.

STEALING EXHIBITS

At Interlaken I spent some time with a handsome French officer who, with broken English and French, gave me his complaint. In a German fortress, used as a prison, he — a French officer — had been assigned to an underground room — for an officer a prison cell. He said he did not mind it particularly, for, of a meditative turn of mind, he liked to be alone. For his own entertainment he made exact measurements of his quarters, bed, table, cubic air space, and light.

When he was removed to another prison, he entered complaint of his treatment to the more humane keeper of the second jail. He was told that it was im-

possible that he, a French officer, having committed no offense, should be given a dungeon. Thereupon the French officer produced his drawings and the German promised investigation and the return of the papers. Later the German reported that his narration had been correct.

"But my papers you promised to return?" Just as politely the German officer said: "Impossible! That cannot be allowed! I cannot permit you to hold an exhibit against Germany!"

WORKING THE INTERNED

By international arrangement, there are five thousand German internes in Switzerland, and a like number of Allied internes from the German prison camps. These are largely officers whose health was threatened by confinement.

The embassies are allowed to give them employment. Naturally they wear their distinguishing uniform. But the Germans got a regulation for Berne that they might be there employed in civilian dress. This is where the Germans put one over on the Allies, for while the Allies have "intelligence" offices, they have no spy "system." To-day more than twelve hundred German internes are in the employ of the German and Austrian embassies and consulates, and they have the double protection of their embassies and their civilian dress. I have heard estimates running as high as thirty-five thousand for Teutonic

spies in Switzerland. But is it worth while, and may not the system yet be found as offensive in Switzerland as the use of Swiss trademarks on camouflaged German goods? Recently the Swiss promulgated an order that any new travelers into the country must depart within two weeks.

THE TRUE AMERICAN TYPE

THE Germans have their own printing plant within their own embassy, and are very careful how their exhibits get into hands for which they are not intended. They have circulated with the Swiss thousands of lithographed posters, showing a type of American fighters against which the Fatherland must contend. It is a Sioux Indian in war paint and feathers, such as might be taken from a German museum exhibit. The Swiss treasure them, and you cannot buy one for love or money.

German iron crosses, captured along with the owners, can be had at a price, but there is one German trophy, prized by the French and the English above all others, of which there are not enough of them outside German hands to make a quotable market. Two car-loads of them were minted and sent to the fighting front in France. Most of them were later melted for bronze guns to replace those the French wrested from the Crown Prince at the battle of the Marne.

This trophy is the medal struck to commemorate, according to its inscription, the second "Triumphal

Entry of the Germans into Paris." It has the Eiffel Tower on one side and on the other the Arc de Triomphe with the Germans passing under it, and is labeled "1871 and 1914."

WATCHING AUSTRIA

FOR many months Hungary and the Hapsburgs have been reaching for firm ground whereon a peace proposal might be planted. Overtures have been made through Switzerland, of course most unofficially, with hope that they might reach Washington.

Some months back, one of the important people at Vienna came into Switzerland and held the most closely guarded secret conference that it is possible to imagine. Whether there were two or three at the conference, I shall not tell, but certainly there were no more, and there should not have been a leak, or a German spy for miles around. But some day the historian may state the intervening number of hours before Berlin notified Austria, "Stop it! Or in forty-eight hours the German army will occupy Vienna."

BREAKING ITALY

I HAVE in confidence the record of Italian casualties in the war — more than a million — but the causes of the Italian *débâcle* which forced the Allies to hasten four hundred thousand troops over the mountains into northern Italy are not confidential. They lie in the German spy system and the then open Swiss

frontier. The positions, the supply resources, the ignorance, and the intelligence, and the psychology of the Italians had been perfectly mapped out to the Germans by thousands of spies, passing in and out of Switzerland. Italian papers, filled with lies, were suddenly circulated among the Italian troops. Italian monies had been carefully bunched up for effective use. And then, by front and rear, and from within, came the attack.

CLOSING THE SWISS FRONTIER

General Foch, in charge of the Allied forces, was, for many months, unable to take a step that was not known and checkmated by the Germans. When a new division came to the front in the trenches, the Germans delighted to hang out on their side a big sign of welcome with the name of the new division attached. When the German spy system was working perfectly, Foch suddenly closed the Swiss frontier, and marched his troops in one direction by day and another by night. Then, for the first time, the Germans got their surprise.

Yet Münsterberg, according to revelations made in Vienna, was free to travel over the United States, as a professor of psychology in receipt of a five thousand dollar salary from Harvard, and a five thousand dollar salary from Berlin, with one hundred thousand dollars of German money to spend. The only advantage of his spy system so far as can now be stated

was the warning it gave, enabling him to destroy his papers in advance of a visit from United States officials and his own death.

If you think it is now easy to cross the Swiss frontier, don't try it unless you have the strongest letters and documents, both to get in and get out. I have seen the "prettiest and fairest" turned back at Paris, and I have seen English business men struggle for more than a week in Switzerland to get out. I have also known one of the most important heads of our war work to be denied admittance to Switzerland. He was not unimportant. He was simply too important for the Swiss to undertake a care over him.

LETTER V

THE GERMAN GOVERNMENT AND PEOPLE

Berne, Switzerland, September

THE contradictions between German professions and German practices are most confusing until you draw a distinct line between the individual German and his government. Said a Swiss lady: "The German people cannot be so bad, for they make such fine music."

Ninety-nine per cent of 70,000,000 Germans have been Prussianized to the extent that they have no higher creed, faith or worship than support of their government; but for that government they accept no moral responsibility whatsoever. It is the business of the government to expand the national power. This is culture — not an inward grace, but an external growth. With the German the word has the same root and meaning as in agriculture or horticulture. The state, however, has no more moral responsibility than the plough has to the soil, or the pruning shears for the vine. Physical force, expansion and development is the only law.

THE CULTURE CONTRAST

LET culture, as set forth in literature, stand in contrast with the culture of the Kaiser. Nietzsche says: "Every crime against culture that has been com-

mitted for one hundred years rests upon Germany." Heine says: "Oh, France, thou daughter of beauty! Thy name is culture!"

Here is the culture of the Kaiser as expressed in official proclamation: "Let no building stand, and no vine or tree. Before retreating let each well be plentifully polluted with corpses and with creosote." It was Prince Eitel, the Kaiser's second son, who destroyed the château of Avricourt after he had enjoyed its shelter.

The record of the culture of the Kaiser's soldiers in Belgium may be had in one thousand documented atrocities which reduced Belgium from eight to seven million people, blotted out villages like Aerschot, with its two hundred and twenty-eight inhabitants shot down, and looted Dinant, burned its twelve hundred homes, and left behind seven hundred dead bodies, including women and children.

You may pick up all over the devastated territory of France the military firebrands of the culturing Huns who built motor cars specially designed, each to carry fifteen hundred firebrands with the gasolene supplies for the devastation of invaded territory.

German culture begins in the ploughing of the soil so that nothing but Teutonic blood may propagate upon it thereafter. The Belgian girls were deformed under medical orders. The Germans declared the mistakes in Alsace-Lorraine were to be rectified in the next conquered territory. Belgium and the new

provinces to be taken from France must grow only Germans thereafter.

In vast districts of Poland there is not a child left under seven years of age. The population of Roumania has been reduced from seven to six millions, eight hundred thousand Roumanians having died since Germany had possession. They were underfed and driven to work in the fields. The death-rate was so high that many were buried in trenches. This is the information I receive here in Switzerland. Of the Albanian population of three and a half million, there is now left only one and two thirds million. Of her government one minister remains. He is a refugee in Switzerland.

Woevre was set on fire and destroyed by Hun proclamation that: "Without distinction of persons, the innocent will suffer with the guilty."

THE CULTURE OF SELF-SACRIFICE

ONE who has investigated in Belgium the record, tells me that at Gerbeviller thirty old men were shot, and one boy was burned in oil flames before his mother's eyes.

In the next village, two hundred and seventy-five women and children were locked up under the belfry containing machine guns. The Huns thus hoped to protect themselves by the use of the native women and children. But the women managed to send out a boy as messenger and told the soldiers the facts and

asked them not to spare firing on their account. Thus, at the request of the women, the allies killed twenty of their own women and children.

CHILDISH MENTALITY

Of late years, the United States has been making record under scientific system to determine the mentality of the criminal class found in jails and prisons. I had the record in the Massachusetts State Prison at Charlestown when I visited Sing-Sing Prison on the Hudson the day the record there was completed a little more than a year ago. The astounding fact was that both records showed exactly the same thing. Sixty-seven per cent of the criminals had a mentality no further developed than that of a boy of twelve.

Now Germany has broken loose as the greatest criminal in the world, and the mental state behind a large part of her criminal operation is that of a child.

I know of a castle upon an estate in Belgium where in 1914 the Germans found a dozen shot-guns used in hunting. They took these guns and with them shot down the inhabitants. Then they replaced the guns and held a solemn inquest, and decreed that the inhabitants had died by shot-gun wounds, which was conclusive evidence that in the disorder the Belgians had shot down their own people, for the German armies had no shot-guns.

Ask any of the nearly one hundred German professors who signed the memorial defending the work of

Germany in Belgium, and they will tell you frankly that the authority for their statement was the German Government itself. If the German Government said it, it became a truth, and it was their duty to certify to this truth when the German Government requested it.

BUYING AND BRIBING

"If I want anything, I buy it," said the Kaiser upon one occasion to a friend of mine in Berlin. He was lecturing him upon the duties of success, and success at the price. The Kaiser continued: "You did not bribe enough in Russia. The Grand Dukes there are my cousins. I know them. Buy them."

When that "Good Old German God" fails the German he will try every "Kamerad" pretext; and then in defeat descend into hell, for to him heaven is power, and hell is weakness and defeat. Hence, you have in Germany arrogance or servility. Either a man is on the throne of power, and therefore divine, or he is servility itself and steps in the gutter at his master's approach. There is in him no such thing as individual thought, freedom, and leadership. Defeated, the German has choice between insanity, suicide, or abject submission. He has no consciousness of the divinity that is in right, truth, and justice, and that rises triumphant, whatever be the crushing physical force.

The Germans expect hard terms when beaten. But they declare: "You can't punish whole peoples, and

your principles will not permit you to do to us what we have done to you."

HOW ENGLAND FAILED

ONE of the brightest ladies in London remarked to me at dinner last month: "When the German people lost their balance, we failed to keep track of them, for we had lost our London 'Times.' When Northcliffe attempted to popularize the 'Times,' we did not then realize that England was losing its main ambassador and line of communication with continental people. England was never continental. It did not invest in France or Germany. Its talent in sons and money was in India, Africa, China, and North and South America."

It was thus that when Germany grew rottenly rich from the exploitation of its lowest-paid people from peasants to professors, and started out for a place in the sun that it might dominate the world, there was no conception anywhere of the headlong drive Germany was taking as she dropped Pilot Bismarck, and put chemistry, finance, and trade into a military unit.

JUSTICE A JOKE AND LAW A SPORT

THE Germans do not know the word "sport" as the English understand it, nor have they any speech concerning "fair play." An idea must be born before it crystallizes in a word or a phrase.

The German business man does not understand integrity in word, contract, or social association.

It is not bad form with him for ten men to jump on one. Tell a Hun that when an Englishman introduces you to his tailor, he, by that introduction, becomes your bondsman, and expects to pay if you default, and the Hun will laugh at you and still further despise the English and their trade practices.

The real sport in Germany is winning; getting ahead of your neighbor, overtopping him, making his possessions your possessions, or beating him in a legal battle without regard to any ends of justice. Business as mutual service is little comprehended.

Law, lawyers, and legal processes are cheaper in Germany than anywhere else in the world. Two Germans will make a contract, and one of them find it to his advantage to break it. They go to court at a trifling expense, battle it out, and then shake hands as would two Englishmen after a cricket match. The word of honor, the binding agreement, have no standing. It is only the "stupid English" who talk of such things.

When a prominent government official in Berlin was told that Germany by invading Belgium had lost her honor, he sneered and replied: "What is honor? Get Belgium, France, and England first, and analyze honor afterwards."

WISDOM AND THE WHIP

ONE of the learned preachers of Switzerland said to me last week: "You Anglo-Saxons don't understand

the Teuton. I do, for half of my blood is German. I will tell a true story in illustration. A German boy in a foreign colony had stolen and put into hiding several articles. The English reasoned and pleaded with him to confess and restore. He stoutly maintained his innocence and his ignorance.

"'Oh, you English, you don't understand,' said a big German as he took the case in hand. He summoned the boy, lifted a big whip, and instantly the boy cried out: 'Oh, don't strike. I see you have wisdom, and I will tell you where I hid them.'"

FAIR PLAY

In Switzerland you can listen to many stories by returned prisoners, and they all illustrate German principles by exposure of German practices. I give the following from my notes:

Statement by a French Professor, for twelve years master at Harrow: "Enlisted August, 1914. In prison camps three years. Recently released. Was for six weeks in camp with a group of Americans, June, July, and August of 1918. The German officers conceived the idea of a good time. Put a huge German wolf dog in a room. Then stripped the American soldiers and sent them into the room one at a time, setting the dog at them. Wolf dog leaped at the thigh, throat, and arms, and some of the boys were terribly torn and lacerated. German officers in the windows, looking in, yelled with delight."

CRIME IN GERMANY

ONE of the results of Germany's political sins is the moral crumbling of the people. Boys of twelve have become murderers and little girls are thieves. There is an astonishing outbreak of sexual degeneracy and many hotels have been set apart in Berlin for nameless vices.

More than three hundred thousand girls in the factory district of Berlin have given birth to children during the four years of war, and they have been commended for their contributions to the nation. Indeed, the girls have been given slight pensions and the children are cared for by the state. Many boasted "crack" regiments of Germany are said to be made up from "children of the state."

LETTER VI

THE WEAPONS OF GERMANY

Switzerland, September

WITHIN ten days information has arrived in Switzerland tending to confirm the evidence that Prince Ferdinand of Austria was murdered from within the Hapsburg family and with the knowledge of the Berlin Government. The seventeen-year-old assassin was neither hanged nor shot, because they said he was a boy and in a measure irresponsible. It was reported that he died of consumption in prison, but nothing is really known of his end.

BEHIND THE HAPSBURG ASSASSINATION

PRINCE FERDINAND was the ablest man the Hapsburgs had produced. He was big, broad, and liberal, but hated the Kaiser, and would have blocked the further progress of Germany towards the Southeast. He was contemplating a union of the United States of Southeastern Europe and would have given Austria a measure of imperial democracy approaching England's. If he had been permitted a few years on the throne, he would have had this union and would have given an autonomy to the Jugo-Slavs, who are a real entity in Southeastern Europe. But this would have blocked the Prussian plan.

BLACKMAIL AS A WEAPON

WHILE the German people individually have not made progress in inward culture or moral grace under Prussian militarism, neither have they made progress in methods of individual warfare. They are not the inventors of war machinery. The Government buys its war inventions in other countries and then sets school machinery at work for their scientific improvement.

The individual German would not understand blackmail as a weapon of war. But the unmoral German Government knows what is considered immorality in other countries, even though it may not be in Germany immoral.

The wonderful spy system of Germany has unlocked every closet in England suspected of holding a family skeleton. All have been documented and indexed at Berlin on reports from tutors, governesses, servants, and valets.

A student of international politics in Switzerland tells me: "The scandal record at Berlin has been able to paralyze many British families. Blackmail has made them impotent in this great struggle."

SOCIALISM MADE IN GERMANY

GERMANY has promoted socialism in all countries to devitalize and disintegrate other nations that she herself might possess them. This was charged against

her in the councils of international socialism in 1904 and many times thereafter, and Germany never made any direct reply. The charge has lain against her just as distinctly as that of the promotion of Bolshevikism to disintegrate Russia.

INDUSTRIAL GERMANY

WHILE the German Government has been permitted, by the German people refusing governmental responsibility, to become a criminal of the deepest dye, the individual Germans have worked as an industrial ant hill. Other people worked less than ten hours a day. Germans worked twelve. The result was one vast industrial machine; peasants and people in the treadmill, and the great majority of people not aware that they were part of a war machine for world conquest.

"The German autocracy makes a dye and stamps it on the plastic German people," said an observant German to me here in Switzerland. "The German shopwork is the best in the world, but invention is not individually produced. Ten men may be detailed to study and perfect a process. A hundred men may be added. There is little individual reward for invention and it matters not whether No. 62 or 104 discovers the effective improvement on the invention that has been adopted from some other country."

LEATHER AND COTTON SUBSTITUTES

THE Germans have plenty of gasolene, which they get from Roumania. Leather is seriously troubling them. Big machine driving belts are made of paper. Shoes are made of paper with laminated wooden soles and big premiums are offered to find substitutes for leather. Shirts are made of paper so strong they can be laundered nine times. There has been developed a wonderful substitute for cloth that cannot be distinguished by the casual observer from our best cloths. It is soft, gray, and flexible, and the fiber is gotten from peat. But real cotton thread is sold by the meter at the equivalent of six dollars per spool.

Cotton experts in Switzerland have samples of German cloth woven of various other fibers and grasses. They are of wonderful variety in texture and color. There are serges, cheviots, and meltons in astounding perfection and they are still experimenting to get an economic substitute for American cotton.

THE WEAPON OF FINANCE

No country in the world is so financially knit together as Germany. Pfennigs, marks, and millions are marshaled under an imperial military system. The Chancellor under the Kaiser is the head of the Reichsbank and all monies and collections are in its control. All the big, privately owned, German banks extend credits over the world as imperially directed. Capital

and credit extensions are almost as carefully guarded as foreign trade under its tariffs and bounties. But all finance, as is all commerce, is under imperial sway and must obey instantly the military dictator.

Early in the war German financial interests secretly entered Switzerland with plans for Swiss development. The proposals put forth were in Swiss names and apparently for Swiss investment and ownership with surplus Swiss funds.

About the same time some watchful eyes with Allied sympathies noted a considerable leaning of Swiss sentiments towards Germany. It took some time to uncover the fact that all the Swiss financial proposals for investment and development were really German with German money and certain Swiss influences "let in on the ground floor."

THE BATTLE OF THE CANALS

For some years Switzerland was internally torn by the so-called battle of the tunnels. There was rivalry in investments, engineering, and international relations concerning the great cuttings which now pierce the Swiss mountains. If certain financial interests were in the Simplon and St. Gothard routes, other interests were entitled to representation in the Lotschberg and other tunnels.

The Germans are now pressing a scheme to get Switzerland to extend the navigable waters of the Rhine into the heart of Switzerland so that six-hun-

dred-ton boats may go from Rotterdam into the heart of the mountains with but a few locks.

This is the "interpenetration" of Switzerland by financial and commercial Germany, and Germany is ready to undertake it and put it through in two years, now or hereafter, and irrespective of the results of the war. The cost is estimated at 150,000,000 francs and the Germans would welcome the investment therein of surplus Swiss money.

AMERICA FOR THE RHONE

ALLIED interests have taken alarm and the French proposal to canalize the Rhone from Marseilles into Switzerland is now on the map.

The cost is here estimated at 350,000,000 francs, of which 200,000,000 would be for the work in France, and only 150,000,000 for the work in Switzerland. But for Switzerland it would be a short cut to all the African and American ports. Switzerland gets its cocoa — the basis of its great chocolate industry — largely from an island off the west coast of Africa. The Rhone route for trade with the United States would be of inestimable benefit, not only to the four million inhabitants of Switzerland, but to many other millions of people in the United States and elsewhere.

I understand that Washington has already promised engineering studies of the problem and that French and American capital may be interested in the enterprise.

If the war were to continue, the United States alone as a war measure might put the valley of the Rhone and the heart of Switzerland in direct connection by water with New York Harbor.

Although Switzerland may be described as a land of chocolate, cheese, and scenery — you get no cheese now at the Swiss hotels — every nation is interested in the problem of whether Germany shall out-general us and turn the track of Swiss commerce down the Rhine, although the Rhone may be a shorter and more economical route for all except the countries of the North Sea.

LETTER VII

STARVATION AND PRISONERS

Interlaken, Switzerland, September

THE melting snows on the mountain-tops fill the rivers as usual at this season, but for more than seven weeks, there has been no rain.

The hay and grain crops are failures in northern Germany from lack of rain. If it were not for failure of all previous predictions concerning the starving out of Germany, I should be inclined to credit the figures I have, showing a food disaster impending.

When these figures are studied they are alarming; and alarming not alone for Germany.

THE WOLF AT GERMANY'S DOOR

SOME of my European friends declare, and show me the figures to prove it, that when Germany throws up her hands, deaths from starvation will follow in Germany and the Allies must not be held responsible. Europe has not the food this year to relieve a German famine. France had not an abundant crop, but it has been well gathered by the women and children and is now well housed. It will all be needed in that country before the next harvest can give relief. All Europe faces a food shortage and in reducing ocean

tonnage, Germany is, by the submarine warfare, cutting the throats of her own people.

Germany's end is certain before the crops of next year; and the responsibility for starvation there in 1919 must be put upon the rulers of that country.

ENGLAND'S FOOD PROBLEM

I FIND the report is widely credited that Great Britain is raising eighty per cent of her food requirements where she formerly raised only between twenty and thirty per cent. Like most comparative figures the foundations need to be studied, for it is not true that Great Britain is raising three times her former home-grown food supply.

England has rationed and reduced her food requirements. Every vacant plot and some sections of public parks have been given over in "allotments" for food-raising. She has changed the character of her food, and cut down her beef and mutton requirements by drastic food rationing. Individuals and householders must give up meat coupons from their food cards under strict regulation.

No individual can give a dinner in the home, hotel, or restaurant without carefully studying the menu and reserves of meat coupons that he can furnish from his family or guests. One is reminded of an old-fashioned church donation party by the suggestion "Please bring your meat coupons."

In the lines of food, concerning which statistics

have been tabulated, it can be shown that England now needs to import only twenty per cent. But England has not even doubled her food production and can have nothing to spare for other countries. The value of food rationing and meat cards is to prevent hoarding and make what is at hand go farthest. The Russian revolution began in food riots. There was no system of distribution or rationing by which the food supplies in the interior of that country could be made available in the centers of population.

SAFETY ONLY IN RATIONING

THE great feature of the European food situation is that under careful government regulation there is food enough in Switzerland, France, and Great Britain, and nobody there need go hungry. Sugar and chocolate and beef, that are considered necessary for fighting men, are regarded as luxuries in the home and are, for the most part, cut out.

The United States had recently a committee in Paris to report upon the food situation, and when they came to sum up the problem, they said: "What can we report home when we have been enjoying the best French cooking and have each gained ten pounds in weight?"

From observation in England and France, I figure that by careful food regulations and patriotism, the average individual weight in the allied countries has been reduced more than five per cent with consequent improvement in health and national effectiveness.

GERMAN PRISON FARE

I HAVE mingled with the interned at Interlaken and been at breakfast with the English prisoners passing through Berne in the early morning hours. Many of them say: "We cannot complain on the food score. Our guards and the natives about us were as badly off for food and they did not have the outside supplies sent in to us from home." They also said their German guards would exchange their fresh potatoes for parts of the prison rations and that the suffering of the people of Austria was very apparent.

The Red Cross packages sent in to the English prisoners sustained them, but the Russians and Italians, having no packages, were in bad condition. In one of the German prison camps, the death-rate among the Russians was above ten per day, largely due to lack of nourishment. It is, therefore, little wonder that Germany can get two million war prisoners, half of them Russians, to work for her for a larger food ration.

The underfed prisoners who are worked in the stone quarries contract consumption from the stone dust and the wounded working in the lime kilns have additional trouble from their wounds and increased fatalities. All the German children, so far as the prisoners of the Allies came in contact with them, were found bare-footed and bare-legged, and generally speaking, pale and undernourished.

The prisoners laugh at the cigarettes in Germany which they said were made from fibers and roots and sold for twopence each, but they were not worth smoking.

IMPOSING THE WILL

THE prisoners were generally kept in ignorance, as were most of their German associates, concerning the coming of the American armies. Indeed, it was one of the features of the system to "break the spirit" of the prisoners by false information. In the prison camps the Germans circulated a paper called "Continental Times," "American Edition." It was printed in Berlin and at one time bore the imprint of an American flag.

Gradually Germany is changing in her methods. The worst atrocities were committed early in the war, and the first year prisoners received the more brutal treatment. Nevertheless, the psychology of Germany continues, and the effort is still "to impose the will," to use a German expression. To break the spirits of the prisoners, they are not only told lies about defeat of the Allies, but for the first two to eight weeks, they are made to work directly back of the fighting lines.

The American prisoners would have been very badly treated at the outset except that there were 15,000 German prisoners in the hands of the Americans when there were only 1100 American boys in the hands of the Germans. The Germans feared reprisals

and treated the first American prisoners better than they treated the first English.

The French take the best care of their men in the German prisons and at the lowest cost.

RED CROSS FOOD PACKAGES

THE American Red Cross is doing great work and is preparing to do a greater work with the American prisoners in Germany. Prison food packages, each worth nine dollars, are sent forward every week, and the ration is varied among twenty-five different articles of food. A man taken prisoner, whether wounded or not, usually has very little with him in the way of supplies, but when he reaches the German prison he finds the American Red Cross has ready for him fresh underclothing, shoes, clean socks, soap, towel, razor, toilet articles, including tooth powder and a steel mirror, needles, pins, etc. The Red Cross furnishes the luxuries and the government the ration and it is paid for on army account about sixty per cent, and Red Cross account about forty per cent. As eighty-five per cent of the goods arrive in condition the packages are oversupplied about fifteen per cent. Nothing the Germans can do can break the spirit of the Anglo-Saxon.

THE SPIRIT THAT WINS

MANY of the English officers refused to be exchanged until their soldiers in prison were given the first op-

portunity to go out. Officers have thus remained in prison for three years while soldiers who had been in confinement less than five months are set free. A British prisoner said: "Who pays for this new clothing? My Government! I don't want it. I want you to tell my Government to take the money and make munitions and fire into the Germans. Give them hell."

General Sir John Hanbury Williams, with three rows of honor ribbons on his coat, mingles freely with the prisoners as they pass through Berne under his supervision. He is always loudly cheered as he makes brief addresses to the released men in the several breakfast rooms at the railroad station. In talking with him I asked if he had any estimates concerning the German losses. He replied: "No, and I don't care much for statistics myself. Let other people keep them. I see it has been declared that 900,000 Englishmen have died in this war. Well, what of it? If necessary, another 900,000 will die; and after the men are dead, the women will fight."

GERMAN MAN POWER

THE biggest bluff that Germany is attempting to put over on the released prisoners and also on the world is the boast to the returning prisoners: "We have the men, but we can't win, for you have the money and the food."

When the returns come in after peace, it will be

found that Germany's great loss, and the basis of her defeat has not been money, but losses in her man power.

Many prisoners in Germany have succeeded in eluding their guards and getting over the boundary; and the information is that it is a mistake for the home people to fail to send money to their friends in German camps whenever they can do so. Real money is valued in Germany as never before. Love as well as money helps many escapes. It is well known in Germany that the Anglo-Saxons treat their women better than the Teutons.

THE UNITED STATES MUST EXPECT REVERSES

THE size of the American preparations may be illustrated by the fact that when the figures showed last month that there were less than two thousand American prisoners in the hands of the Germans, the American Red Cross went steadily on with preparations to take care of at least fifty thousand American prisoners in Germany.

Carl P. Dennett, of Boston, head of the American Red Cross in Switzerland, is right on his job every minute. Mr. Dennett says: "We must expect reverses and the first thing I did here was to prepare for a large number of prisoners, although we had less than two hundred then in German camps. When the English had their reverses on the great German drive last March, they lost fifty thousand men to German pris-

ons. We are preparing here to take care of at least fifty thousand American prisoners in Germany, for we, also, must expect reverses. We have food now in store or on the way to take care of this number for three months; when our plant is completed, we shall have food for fifty thousand men for six months."

LETTER VIII

GRIPPE AND AMERICAN BUSINESS

Berne, Switzerland, September

THE Spanish grippe, termed in Europe a mild form of cholera, has made its most notable impression at two distantly unrelated points, Berne in Switzerland, and Belfast in Ireland.

It knocked out the Swiss army, seventy-five thousand men under arms all the time now, but changed every two months. Switzerland maintains the proper ratio for defense — ten per cent. From her four million population, she can at any time summon four hundred thousand men to arms. But she had no defenses for the Spanish grippe which broke out here July 20, and soon filled every hospital to the limit and also nineteen hundred graves.

PROMPT ACTION

CARL P. DENNETT, head of the American Red Cross here, knew his duty at the home of the great international Red Cross organization. He did not wait for cables or instructions. He promptly placed the resources of his organization at the disposal of the Swiss and began with a contribution from the American Red Cross to the "sister republic" of half a million francs, which was accepted with alacrity and grati-

tude. The newspaper comments were "Always practical, these Americans. They know the value of time," and "Princely, but the spirit inspiring."

It is just by such prompt work of the American business man that the United States is winning in this war in Europe. Our dollar-a-year men, as well as our great soldiers and generals, do know the value of time. I have heard more than one person not connected with the Red Cross or with government work here in Switzerland criticize the failure of our American Government to more fully utilize American business talent.

THE GRIPPE AT BELFAST

In June and July there was slight comment in London upon a peculiar epidemic that would seize people so suddenly that, even at the theater, they had to be carried out. But there were few deaths from it, and if there were you would never hear of them in London. London does not talk or advertise, and only the clerks and the returning nurses and soldiers are seen at the theater. Everybody works, early and late, and makes no fuss about it. But for the first eighteen months of the war no week-ends or holidays were allowed. Then it was found it did not pay to thus dull the edge of labor and now holidays and week-ends are on as before. But there are no balls, parties, or dinners, in a social sense.

At Havre I first learned of the Spanish influenza as

a deadly grippe. One of the leading English officials here permitted his orderly a visit to a sick sister in Belfast. When he returned the inquiry was as to his family, and he replied: "My sister was already buried, but I was in time to bury father and mother, two other sisters, five people next door and view thirty-three funerals on the way to the railroad station. Munition workers had to be called off to dig graves."

Yet there were no reports in the public press. Ordinarily such an epidemic would have made columns in the newspapers. But when France loses men by the hundred thousand and permits no report and Germany after five millions of casualties has closed her list to the public early in 1917, and British war casualties steadily average seven thousand per day, epidemics, whether of influenza or cholera, are outclassed.

The antidote for Spanish influenza is said in France to be alcohol. A friend of mine has a gardener whom he knows to be immune. "Mike, you have been with me only a short time, and you have all these recommendations from dukes and duchesses, why will you get drunk?"

"Why not, in a land with all thim furriners?"

"But you have nothing to do with the French!"

"But what about all thim ither furriners, Scotsmen, Welchmen, Canaydians, Austraylians, and all of thim Prodestants, why should n't I get dhrunk!"

OUR BUSINESS MEN

ONE who has been in every country of Europe looking after international relations told me recently, "The United States sends too many politicians to Europe. Why does it refuse to use its best business brains in the public service? Germany sends its best business men and men of finance into foreign conferences and negotiations. If there is a diplomatic conference, the expert business men and financiers are right in the same hotel to give practical advice to the German Government. More business men should be sent to represent the United States abroad."

More than once I have been asked in Europe, "Why is not J. P. Morgan at work for the Government?" I could only answer, "There are at least a dozen partners in that house, and you know where to find Davison, and I know the European office address of Morgan and Stettinius and others associated with the house, and that there is n't a member of the firm who is not represented directly in the war service. As to 'J. P.,' there never yet was a Morgan who ever failed to respond to the need of his Government. He is the picture of his father, only taller and bigger, and his name is right on the list with all his other partners to answer any summons that Washington sends for his service."

UNITED STATES WORKERS BORROW IN SWITZERLAND

RIGHT here in Switzerland, the business men of America are working for one dollar a year and borrowing their living expenses at five per cent interest from the German banks because they cannot afford to pay twenty-five per cent discount in exchange for funds from home.

The American Red Cross made arrangements so that its funds should not suffer unduly by exchange. It placed $21,000,000 in gold in New York to the credit of Swiss bankers, the funds to remain to their credit in New York until after the close of the war.

Against this the Red Cross in Switzerland can draw "on a gold basis." But I do not understand that the employees of the Red Cross or the dollar-a-year men can have the advantage of this exchange. Everything must be for the soldiers and the war work, and they are working loyally. One of them said to me:

"I thought I knew my country, but what America has accomplished has many times surpassed all I expected. I used to weep in the night over the position of the United States if we were not to enter the war. Since the first crusade the world has seen nothing like our outpouring. They are beginning to be convinced of it over here. They thought money our God. Now they are beginning to see and the press here is swinging to us."

GERMAN ORGANIZATION

THE Swiss are not the only Europeans who would welcome the American business man, financier and organizer, to offset German system of organization and absorption.

The German is never a pioneer. Even his boasted dye industry was taken from the English and built up as an adjunct of his war chemistry.

I have yet to learn of a mining camp anywhere in the world discovered or opened by a German prospector or pioneer, and yet by their organization and attention to detail all the non-ferrous metal trades of the world were found in German hands at the opening of the war.

After others invent, the German will acquire. Detail work is an obsession with the German people, but they lack imagination, and imperialism has starved the idealism of old Germany. When they go bad, they go to the depths and the utmost detail. When they start to boast and to lie, no other nation can compare with them. The Chicago man who would "rather lie on sixty days than tell the truth for cash" is n't in it with them. On deception propaganda they are the most extravagant people in the world. They have wasted two hundred million francs on German propaganda in Switzerland.

THE BOCHE

NOTWITHSTANDING the depths to which they have descended, they are sensitive over what they term their honor, and they bitterly object to the term "Boche," but welcome the word "Hun." Nobody knows the origin of the word "Boche," whether it comes from "Caboche," meaning "squarehead" or "blockhead," the Swiss "Alboche," popular here for "Allemand," or an Arabic phrase indicating all that is rotten or empty. They are proud of the word "Hun" because of its association with historic wars, oblivious of the fact that the word "Hun" now stands before all the outside world, and will so stand for generations, not as a terror, but as a despised by-word and reproach for every human villainy, mentionable and unmentionable.

And still with the German, the question always is, "What impression do we make?"

The Anglo-Saxon is the most careless man in the world concerning the impression he makes. He only wants to know that he is right, and he will drive ahead, regardless of all negations. That is why the Anglo-Saxon is the pioneer and the inventor.

Said the Berne professor to Thomas A. Edison: "The only reason you invented the phonograph was because you did not know that it could not be done."

LETTER IX

THE BIG BERTHA BUSINESS

Berne, Switzerland, September

To the inquiry I have made here, "Who is the richest man in Germany?" the answer is returned, "Bertha Krupp, worth one billion marks." But the Krupp people were never in favor of the war, and did not promote it, nor is the Kaiser a large stockholder in Krupps. Practically all of its capital of 250,000,000 marks is in the Krupp family. There are ten directors, twelve per cent dividends, and 120,000 employees, as compared with 80,000 before the war. The total population of Essen is about 350,000.

CONTEMPT FOR THE INDIVIDUAL

THE war was the conception of the Kaiser and not of the Krupps. But either peace or war, whatever is the policy of the Government has the support of the whole German population. The German has contempt for the individual. He believes in his Government and the government organization, and also in industrial organization. Individualism is not permitted or believed in. Any individual opinion must be subordinated to the policy of government unity in defense. And defense to the German means expansion at the expense of other nations. Indeed, the devasta-

tion of France and Belgium is a part of the defense programme of Germany. The Germans believe that frightfulness helps to shorten war. They have no conception of the stimulating effect their policy of frightfulness has upon other nations.

BIGNESS AND FRIGHTFULNESS

THE German military leaders said: "Turn France into a desert. Who will seek to recover a ruined land? It will be easier for us to hold. Later on the Germans can rebuild the country." They have no conception of how the French and Belgians love their land.

Big Bertha as a gun is only a part of the German frightfulness. This is nothing but the 38-centimeter naval gun which could pierce armor plate at a distance of thirty kilometers. Somebody asked the question years ago, at the Krupp works, "Suppose the force which carries a shell through a ship's armament were used entirely to lengthen the distance the shell travels, how far could the gun carry?" Experiments showed that such a gun could easily throw across the English Channel at Dover, twenty-two miles wide. The Germans believed they could frighten the enemy as with the idea of a new secret invention, or secret powder, and they tried this programme of frightfulness on Paris. Such a gun, with an enlarged powder charge, and reduced shell, can throw one hundred and twenty kilometers, but the shell has

no penetrating power. It simply lands, breaks, and scatters with "fearsome" noise.

It cannot be directed, save in a general way. No target can be seen for any such distance, except that target be a city like Dunkirk or Paris.

TERRORIZING PARIS

THE Germans said such a gun would terrorize the Parisians, and cause a revolution. The Parisians, who have a greater distrust of politicians and their political influence in war than have the Americans of their political representatives, said, "Why don't the Germans aim their Big Bertha a little more directly? The shells all go in the direction of the Chambre des Deputies. Why don't they hit it?" And most of the Parisians hoped they would. From what I have seen in Switzerland, I sympathize with this distrust of the French politicians. The French people do not need to be instructed that from the beginning of this war, as in '71, any war weakness has a political base.

The Big Bertha shells destroyed a lot of window-glass in Paris, marred the gray stone façades on some blocks, and landed sometimes in public squares where people were dining all around on the sidewalks and in the cafés without causing a single human casualty. Any one can make a Big Bertha gun from a naval gun. It has been proposed that the Allies bomb the Rhine cities with them, but the allied aeroplane work will be much more effective.

The total material damage and the total number of innocent persons slain by Big Bertha would not make a highly creditable record on the profit and loss side when tabulated in even a Hun war score.

GERMAN WEALTH

SHOULD peace terms allow the Kaiser to keep his wealth, he might be the second richest man in Germany, for he has a very great habit of keeping his money. The Kaiser's family fortune is never touched. They say, in Germany, that in traveling it is a question of who pays, and with the Kaiser many are willing to pay. And, of course, there is the civil list for many expenses. When the Kaiser asks for money, either from the Imperial treasury or private interests, it is forthcoming, and in many affairs there need be no accounting. The Kaiser will accept gifts, and has almost the pleasure of a child when he gets money.

Friedlander, with coal and iron in the east of Germany, is worth nearly 100,000,000 marks, and Thyssen, the iron man, is worth more than 100,000,000. Stumm and Rathenau are each worth many millions, and Prince Furstenberg was formerly accounted rich. It is estimated that there are twenty-five to fifty Germans each worth at least 100,000,000 marks. Ballin, the steamship man, so well known in America, is not a rich man, although it is said that the German Government has paid its big steamship companies

many millions in purchase of its steamers, or to cover their war losses, just as Germany made good financially the ravages by the Russians in east Prussia, early in the war. Ballin, by the way, has no influence with the Government and has only business opinions, but did favor the submarine warfare, which the German people now regard as the keynote of their failure, as it brought in the Americans.

But Warburg, the Hamburg banker, also favored the submarine warfare. He said: "I am against submarines, but by them we can finish with England in three or four months."

Zimmermann said: "The submarine may bring the United States into the war. If we can isolate England, we don't care what the United States does." The German business people admitted that hospital ships would be destroyed by the submarine work, and declared they would approve the submarine warfare, even though all the hospital ships were sunk.

COÖPERATION IN RELIEF WORK

THE business men of Germany, and especially the banking interests, coöperate with the Allies on Red Cross and Y.M.C.A. work. Since the beginning of the war, Germany has largely developed her Y.M.C.A. expenditures, and put in last year 40,000,000 marks, or $10,000,000. But no country does one tenth the work of the American Y.M.C.A. Even the British Red Cross has not spent $20,000,000 since the be-

ginning of the war. The American Y.M.C.A. is spending $500,000 every six months in Germany entirely by exchange.

Both the American Red Cross and the Y.M.C.A. are able to reach American prisoners in Germany, and communications to them by telegraph or mail are promptly forwarded by the Germans. Carl P. Dennett, in charge of the American Red Cross in Switzerland, and Archibald C. Hart, of international reputation, in charge of the American Y.M.C.A. here, both tell me that they have no difficulty in getting prompt German attention to their inquiries.

THE RÉPATRIÉS

GOVERNMENT authorities have made arrangements by which four hundred thousand *répatriés* have been forwarded through Switzerland from behind the German lines in Belgium and France and three hundred thousand more are to come through. These *répatriés* are in pretty bad condition, and some of them have had to walk many miles to get a train. They are not the working forces, and are nearly all old or young. They are very tenderly cared for by the French, and provision has been made by which they have five days' reunion with their families or soldier relatives.

Twenty thousand Belgian children are being taken care of by the American Red Cross.

Exchange has been arranged for one hundred and

eighty thousand French and English prisoners and thirteen hundred pass through Basle every day. Swiss neutral doctors select them. Consumptives, cripples, the old, the longest interned and men of families are exchanged like for like.

SWISS TRADE

More than $50,000,000 has been spent by England alone in Switzerland since the beginning of the war, and the supplies purchased here by all the warring nations have made a trade balance in favor of Switzerland such as she never saw before.

In 1912 Switzerland had a trade balance against her on paper of 620,000,000 francs. This was, of course, largely offset by the amount of money travelers carried into the country. In 1914 the travel into Switzerland was interrupted by the war, but the trade balance against her on paper was reduced nearly one half. In 1916 the trade of Switzerland with foreign countries was a record breaker, and the balance in Swiss favor was 69,000,000 francs. The figures for 1917 have not been completed, and for this year can only be guessed at, but Swiss bankers tell me the merchandise balance is now in favor of Switzerland by many million francs per month.

HIGH PRICES HERE

Nevertheless, Switzerland would prefer her former work of entertaining the world on a cash basis, rather

than furnishing war supplies for all foreign countries. There are now no exports or imports except by government permission for every shipment.

The price of food has doubled. Butter and cheese may not be served in hotels as these must go to Germany. Soft wood is ninety francs per cubic meter in the forest, and one hundred and forty francs cut and delivered; and the Government limits the amount that can be cut or exported.

The Swiss newspapers have had to double their price, as paper in Switzerland has gone from thirty-five francs for one hundred kilos to one hundred and fifteen francs for twenty per cent less quantity. But, of course, the Allies don't mind this, as most of the Swiss papers are printed in German. In Berne, with a population of one hundred thousand, all three daily papers are in German, and French is taught in only two schools of the town.

In Paris not only has the size of newspaper issues been reduced, but the price of newspapers has been cut in competition since the beginning of the war, and the publisher has to pay a greater proportionate advance for his paper even than in Switzerland. I do not know how much the price of book paper has advanced, but the price of books has doubled, and Switzerland has more book-shops in proportion to population than any other country in the world.

In Germany all newspapers are little more than government circulars.

GAS MASKS

THE International Red Cross proposed early in the war to abolish the use of gas, but Germany said no. Now Germany desires to bring about the abolition of gas in warfare, as the Americans have the best gas, and the best masks.

The German gas masks have had an extension added at the base with additional chemicals to combat the new gasses of the Allies.

LETTER X

IS THERE ANY INDEPENDENCE, INDIVIDUAL OR NATIONAL?

Berne, Switzerland, September

THERE is no business stimulant like that of necessity. Switzerland is turning up her peat bogs. Fuel values are here now above grazing values. Switzerland is also boring for oil at Leumselle, near Bulle, not far from Fribourg. If commercial oil is found in paying quantities, there may be the usual contest as to which country will furnish the capital and the engineering talent for development in Switzerland, for Fribourg is a beehive of German propaganda activity.

English capital has made the greatest development here in Berne. The city was built on the north or left bank of the river Aar. Fifty years ago an English syndicate bought the land on the other side, built the high bridge across the Aar, erected the English church, and soon foreign embassies and new villas made that land the court end of town. It was a highly profitable land development.

EUROPEAN OIL DEVELOPMENT

WAR'S developments may not only give oil to Switzerland, but uncover it also in France and England. The development of oil lands in these three coun-

tries would give a stimulus to the American automobile manufacturers of which they now cannot dream.

Private motoring is not allowed in any of these countries except under strict regulation. When you have gotten all your official documents to move by gasolene in Switzerland, you will meet as you pass on the highway jealous glances of the Swiss who must make their picnics and Sunday rides behind horses. Taxis here and in France and England are regulated as to service to be performed, distance to be covered, and gasolene allowances at seventy-five cents to one dollar per gallon.

I found in Paris that I could pass through the Bois de Boulogne only in a military motor supplied with proper credentials. The cabman may take you only to the park gate if you wish to walk in the Bois. He may drive you in if you have appointment or business. You cannot keep him engaged for a return trip. Should you wish to go to church in London Sunday morning, you must be strictly denominational, for if you attempt to visit two or three churches in the same forenoon, your cabman will quickly class you as a joy-rider and say it is forbidden. Yet Americans may do things everywhere in Europe that are strictly forbidden to the natives.

PETROLEUM IN ENGLAND

LEAVING America in July there were on the steamer with me fifteen oil drillers from Mexico who were

brought over by Lord Cowdray to drill in the center of England for petroleum.

Cowdray's oil experience is very broad. As one of the leading engineers of the world he began at the Isthmus of Tehuantepec, producing and refining oil. Later he developed territory north of Vera Cruz and in the Tampico district. He is now shipping 18,000,000 barrels a year from Mexico, is the second largest oil interest in that country, and there is no third by which to make comparison. He has long believed that London's great coal measures are allied with oil, irrespective of the shale oil development further north. He secured options upon English territory but, the proposed legislation failing of enactment in due season, he has turned the whole matter over to the Government, and will supervise the drilling and engineering for government account.

IS THERE OIL IN FRANCE?

Oil men of international reputation have declared their firm belief that oil measures underlie parts of France, and the French Government has been advised to drill. Certainly, if Switzerland and England get oil in paying quantities, France will not lag far behind. France has the greatest advantage of being independent of all other countries in both engineering and finance. The Swiss people have put their money into hotels, and have never sought to any considerable extent independent development. They have prob-

ably never developed their own water power because they realize such power in industrial development must be used in neighboring countries for an efficient return.

NO INDEPENDENT COUNTRY

SWITZERLAND is the great reserve horse power of Europe, and it has been for many years a place for financial reserves. Citizens of all the neighboring countries have believed in the ability of the Swiss to maintain their independence and have therefore bought Swiss securities and kept financial balances in Switzerland as international reserves.

At the opening of the war Swiss three and one half per cent bonds actually advanced. Now, they have fallen from 100 to 75 and Swiss credit as represented by its highest grade government issues is on a five per cent basis.

Hereafter let no man and no country boast its independence. The war has shown that there is no such thing as independence, national or individual; in finance, food, or fuel.

It becomes clearer every day that to make the world safe for Democracy we have got to come back to the Scriptural basis where no man liveth unto himself and no man dieth unto himself.

Gibraltar and the Monroe Doctrine, the Panama, Suez and Kiel canals may be found after this war to represent no national sovereignty, but rather an inter-

national sovereignty, insuring for all time "the freedom of the seas."

SWISS INFORMATION

You can get a better perspective of Switzerland from without, but from Switzerland you can get a very good view of all other countries, including the United States. It was in Switzerland that I learned that the United States was in August making 45,000 rifles a week, 1,000,000 hand grenades a week, and 600,000 shells a day.

It was also in Switzerland that I learned how the Dutch took English gold for ships sold to the United States, and sold the gold to the Swiss so as to realize 5.76½ Swiss francs for each American dollar when Swiss francs were at twenty to twenty-five per cent premium in the exchange market.

The financial and exchange play around Swiss francs is most interesting. Swiss money cannot be taken out of the country, but all the Central Powers have at times bid high for it, and Austria has made high bids for English and American money with which to buy food in the Ukraine. I am assured $1.36 has been paid for American bills in Swiss money, and also thirty-five francs for English pounds in five-pound notes. Of course, no such transactions are in the public record, and can only have represented some individual needs. International financiers tell me they think any such transactions represented panic de-

mands for financial reserves, and gold being unavailable, the next best things, English and American bills, have been highly prized and highly priced.

THE WORK OF GEORGE D. HERRON

At Geneva, Professor George D. Herron has been doing great work in international battle for the moral credit of the United States. In 1916 the United States stood at very low ebb in European circles. France and England felt that the great American continent would remain out of the war and get fat and richer than ever before, furnishing supplies to Europe. Scandalous things were told in American circles in Europe, and such tales were fostered by German interests, slurring the United States and its President.

Herron had been a professor of Political Science and Economics in a Western university, had spent many years in Italy and with an independent financial inheritance had settled down in Geneva, where the literary and political atmosphere is so inviting to one of international tastes.

Professor Herron here sprang to the defense of the United States, and as his views were novel every paper was opened to him. He defended the Administration, published books at his own expense concerning Woodrow Wilson and the World Peace, and voiced the thought and aspirations of the United States in a way that appeared unexpectedly new to France. He so prepared the European thought concerning the

ideals of Wilson and America that now the United States is universally hailed as the crusader from over the seas, come to liberate Europe. The inhabitants of many countries in Europe have now more faith in Wilson and the United States than they have in their own governments. Even in Germany there are people who have hope in the United States, although they have not the opportunity to give any public expression to their sentiments.

PEACE DANGERS

THE work of Professor Herron has been noted in the United States. But when I spoke with him in Geneva he said: "I did not expect the United States to know anything of my work here. It is the duty of every American citizen who loves what his country stands for to rise up and defend American freedom wherever he may be. We make too many changes among our representatives in Europe. We should have the best men to represent us here and when they have demonstrated their fitness they should not be superseded except by better men. Our Ambassador Sharp at Paris is one of our best men in Europe, but he had to grow up to it.

"Peace by diplomacy and finance would now be a disaster to the world. But vast parasitic interests are working for such a peace. A new age for the world must be born from this war. The work of two thousand years must now be fruited. The danger is that

Germany is weaving her peace net and knows where and how she can touch sympathetic chords in every country in the world. The United States and her Allies must be internationally knit together if there is to be an enduring world peace."

LETTER XI

HINDENBURG AND MUEHLON, OR THE LOST SOUL OF A NATION

Berne, Switzerland, September

STORIES of German brutality will be repeated over the world for many years to come. There may have been brutalities and frightfulness in other wars, but never before was there such machinery for preserving the record. There is not only the telegraph and the telephone, but the individual camera and the moving picture development. Above all there is the German soldier himself taught to read, write and make record. At the opening of the war, German soldiers were furnished with diaries that they might record the prowess and progress of German arms.

THE DAMNABLE RECORD

THE record has gone against Germany, and her soldier is now forbidden to make record or keep his diary. But the habit is not easily arrested and German diaries, post cards and damnable recording letters come over the line by thousands with the tens of thousands who lay down their arms and under guard empty their pockets upon the grass.

I have seen the recording diaries, letters, post cards,

and photographs as they were being gathered up by the bushel for allied inspection.

They make a horrible record of the lost soul of a nation.

When we read a German boy's letter from Belgium, "we have champagne at every meal and all the girls we want," we understand the brutality of the German submarine commander stranded on the shifting Goodwin sands two months ago, who, at the moment of his surrender to his English captors, turned and shot his pilot through the head.

Everywhere in Europe, as well as in Switzerland, I heard stories of the German war hero Hindenburg that would make the blood of an American run cold, and then strengthen his arm in the war for humanity. These stories related to Hindenburg's brutality at different points on the war front, but all showed the same principles or lack of principle.

THE RISE OF THE HUN WARRIOR

HINDENBURG'S rise has come about entirely from this war. He had been placed on the retired list after he had been foolish enough in a war game to outwit the Kaiser playing at the other end of the field. He should have been more diplomatic and announced, as did a previous general in the war college, "You have won, your Majesty, but your soldiers are all dead."

When some years ago a bill was introduced in the German Parliament to drain the Mazurian Lakes,

Hindenburg went to Berlin and secured its defeat by proving that the defense of East Prussia against the Russians lay in the maintenance of this lake region.

At the opening of the war, it was demanded that Hindenburg be brought forth from the inactive list and placed in charge of the defense of East Prussia. Here he twice trapped the Russians and slew and drowned their legions without quarter. They were not permitted to surrender. Slaughter and frightfulness were his programme. The German people hailed him as their savior and, next to the Kaiser, the Vice-Regent of the Deity. They built a huge wooden statue of him in Berlin, and thousands paid their individual tributes and worship by personally driving a nail in the wooden image at a cost of twenty-five cents per drive.

HINDENBURG'S BRUTALITY

SEVERAL different stories have come to me, well authenticated, concerning the depth of Hindenburg's depravity. The details are too horrible for print. They relate to outraged womanhood and girlhood; suicide and blood of the innocent that wet the feet of Hindenburg. In one village where Hindenburg had declared the girls belonged to the soldiers, he offered pay for provisions taken. His pay was spurned, and the women told him to his face: "What you have taken is as nothing compared with the souls of the

girls on this estate in our charge." But Hindenburg laughed and replied: "Women and girls are of little account in war."

At another place where German money for requisitioned supplies was refused the declaration was made by a lady of title: "General von Hindenburg, God will require at your hands the soul of my little Marie, outraged and murdered by your officers in your presence." And the big bulky form of Hindenburg bowed low as he responded before royalty: "Most Gracious Lady, the good old German God has never taken much account of women and girls."

THE CONTRAST

I COULD but think upon these stories of von Hindenburg and what they reflected of German militarism, frightfulness, and depravity after I had left the sunny home in Switzerland of Dr. William Muehlon, the one man in Germany who dared fight within his country and then dared cross the border to continue the fight to save his country from moral and spiritual degradation.

At the breaking out of the war Muehlon was the managing director of the Krupps works in receipt of a salary of two hundred thousand marks, or fifty thousand dollars per annum, with honors and standing among the highest. He would not be bribed, pensioned, or frightened to keep quiet concerning the heinousness of war and the dangers to Germany from

her own militarism. He protested, he talked, he reasoned with his fellow citizens. Some of them would agree with him privately, but declared they must stand by the organization and the country. If they won it would come out all right, all would be forgiven; and they would stand together to win. But Muehlon refused to stand for the invasion of Belgium or for a war of aggression. He said there was no difference between national murder and individual murder; that you could not do collectively what you could not do individually.

AN UNPURCHASABLE CONSCIENCE

A FEW months after the war began he resigned, forfeited his salary, refused a pension, and continued to debate with his associates upon the awfulness of the German military crime. He was a South German, from Bavaria, had served in the foreign office at Berlin and went from there in 1913 to be the managing director of Krupps. He realized too late that the poisonous Prussian militarism had corrupted all Germany, including the peaceful peoples of his southern country.

It is no crime in Germany to hold opinion against the Government or the government policy and you may present your views privately, but public expression may be dangerous. So long as Muehlon did not speak publicly he was in good standing with the Government, who sent him on a mission to Roumania

and the Southeastern States. He is, therefore, thoroughly familiar with the Balkan situation and well acquainted with the Turkish leaders. He understands the Mittel-Europa schemes of Germany and all the moral dangers involved therein.

A MEMORABLE DAY

THE afternoon I spent with Dr. Muehlon at his country estate a few miles from Berne will be long treasured. I had seen one ideal Christian gentleman come out of Germany, and there might be more left within or else there was small hope for the regeneration of the country.

Muehlon left Germany about eighteen months ago when the Swiss frontier began to tighten, purchased an old farming estate at Gumligen and settled down to see how best he could work for the salvation of his country. From Switzerland he has been able to write freely to Berlin and the German people. Some of his letters and memoranda have been published in Germany. He has shown clearly the guilt of Germany in Belgium and the joint guilt of Germany and Austria in their dealings with Serbia.

Important people in the German Government have visited him in Switzerland, agreed with him privately on many points, but have frankly said they must be against him publicly.

This year he has published in German his famous "Diary" wherein his thoughts were recorded during

the first four months of the war. It has recently been translated into English.

My first question to Muehlon was as to where in Switzerland I might find Thyssen, for Thyssen, the great iron-master of Germany, had been presented in the Congressional Record in Washington and in publication over the United States as denouncing the Kaiser and narrating how the Kaiser had offered him thousands of acres in Australia and had portioned out the world and its industries among the leading business men in Germany at a memorable conference.

NO THYSSEN CONFESSION

DR. MUEHLON responded: "Unfortunately I stand alone in Switzerland. Thyssen could never have made the statements credited to him. He has two sons, and one of these may have made the statement denouncing Germany, but the elder Thyssen probably never saw it. He is ninety years old, worth more than 100,000,000 marks and keeps very quiet. He was always very secretive in business; indeed, his silence and secretiveness are his chief characteristics outside of his great fortune. I have seen the statements credited to him, but he could never have made them, and he is still in Germany."

EDUCATION IN GERMANY

ASKED concerning changes that have given militarism control in Germany and its effect, Dr. Muehlon

replied: "For more than a generation the schools of Germany have reared the children in the thought that their first duty is to the Government. The Government and its power or force must be supreme. The one task is to get what you want, the method is secondary. The result is a people who have ceased to think individually, as respects morals or government.

"A few days before the war was declared I traveled from Berlin to Paris. The German conductor asked me as to the prospects. I gave him my opinion as mobilization in four days. His only response was: 'I am a soldier and I shall do my duty.' He had ceased to be a citizen or hold any individual thought. At the frontier we changed conductors, and again I had to answer the question, but the French conductor replied: 'War is impossible. It is too horrible to think of. The day for it has passed. We shall throw down any government that makes a war.' The Frenchman was a citizen first and a soldier afterwards for defense.

"The German military system was all right when the people were poor and needed training and education. But the German education and training got headed wrong. The Germans worked hard, averaged more hours labor than any other nation, got rich, and did not know what to do. They are a plastic people and they can be moulded, and they were moulded by the German military machine. Work, growth, material expansion, became an obsession, a madness.

ALL IDEALS LOST

"LITTLE by little all the idealism of old Germany died away. It was practically starved to death. Imperialism alone became worth while. German teachers, bankers, manufacturers, shrugged their shoulders and said every other nation was the same way, that selfishness was the rule and the only way to get on. The Hamburg people in touch with the outside world through their shipping interests represented the best in Germany, for they had traveled more widely. But imperialism swallowed up even the Hamburgers. The leading men of Germany were bribed with salaries, titles and decorations, and if these failed, there were threats and every form of pressure until the whole was moulded into one imperial military power. Gifts and gold were fed in and out, and when I protested to a personal friend of great wealth who I knew sympathized with me in his heart, but at the command of the Government had defended the war and had fed the people with wild hopes and promises, he replied: 'Oh, well, we must give the people champagne.'

THE BELGIAN CRIME

"THE invasion of Belgium was cowardly. Nobody in Germany believes that there was any conspiracy in Belgium against us.

"I would rather be poor and able to go over the

whole world holding my head up as a man than to be a rich and successful German and wrong.

"I would prefer a fair fight on my own soil rather than to have war in another country such as Belgium. It was unfair.

"It was thought that Russia needed three months to get ready and that France could be destroyed in two months. The German Crown Prince was a great friend of the Belgian King and family. The Kaiser and his family kept that friendship with Belgium, so that the King would not object to Germany's going through.

"The Kaiser was surprised that the Belgian King objected. He said: 'The Belgian King is mad and has inflicted all this suffering on the Belgian people while we would have paid for everything.'

"The German people believe it is kindness to try to shorten the war by cruelty and terrorism. The German people beget their terrorism from their own fears. They are a timid people and at the base are not warriors. They are soldiers only because they have been organized and taught to obey.

THE CONTRAST WITH FRANCE AND ENGLAND

"If the German people had suffered one tenth of what the French suffered there would now be no war. The devastation of France is to make an impression on the French. The German people are deceived by anonymous official utterances, but the ruling classes

know better and understand the deception that is practiced by the Government.

"The strength of England is in the middle class that can show honor to its word anywhere.

"A republic would give Prussia less influence. It would be better to have no princes at all. The military system has corrupted the whole people of Germany. There is no longer independent leadership or individual opinion. Only material reasons can influence her. The German is afraid of force, having all his life been ruled by force. He thinks other nations are ruled by force and can, therefore, be terrorized.

"He is mentally incapable at the present time of understanding why frightfulness did not break Belgium or France or why the submarine did not paralyze England. The Government has always the official explanation in manufactured lies. They told the people that Paris and London were fortresses, that the Red Cross ships were loaded with munitions, that Belgium was in a conspiracy to attack Germany."

PAN-GERMANISM

ASKED concerning Pan-Germanism and his country's industrial future, Dr. Muehlon said: "Pan-Germanism must go. It is opposed to the interests of the smaller peoples. There is room enough for all in the world. The population of Germany is not over 69,000,000. Instead of trying to steal the iron mines of Briey

and Longwy, Germany would have no trouble in buying all the ore she needs.

"This war should bring about the society of nations, and we should give each country the chance to do the thing for which it is fitted. Free trade should be the ultimate goal of the nations. We must pay more attention to the individual, reduce the size of factories and the concentration in factory life. We must put the workman in touch with the land that he may raise his vegetables and have light, air, and exercise.

THE HOPE FOR GERMANY

"THE hope for my country in this war and in the future is in her defeat by arms. Germany is materially very strong, but heavy losses will quickly break her morale. Germany has been held together now by a victory in Russia, then by a victory in Roumania, later in Italy, lastly by the westward drive. When Germany's victories are over, her people will not stand up under adversity, and adversity alone can save my country.

"The invasion of German territory will quickly end the war, break the military system, and make possible a confederation. There is little hope for Russia, bribery there is so universal. The whole industrial life is rotten, even worse than in Germany.

"The peril of the hour is that the Allies may become kind and humane, and extend the hand of sym-

pathy before Germany is ready to confess the wrongs she has done and make restitution.

"The greatest possible disaster that could come to Germany is to escape responsibility."

PERSONAL OPINIONS AND PERSONALITY

DR. MUEHLON is a Catholic in religion and a believer in pure democracy. He stands an inch over six feet, in good proportions, with light hair, large forehead, blue eyes, fine lips, and a firm chin. His voice is clear and his thinking is in straight lines. He impresses you with his moral earnestness, idealism, and sincerity. He said: "I am from a South German family and in the olden times my parents were peasants and simple folk. I believe in men rather than things. I have no ambition for public life and may yet be forced to earn my own living. But I was happier when I was worth less.

"We must have a society of nations and make mutual sacrifices. We need a more elevated spirit, more function and development — not stealing lands from other countries. There is more than enough of everything in the world if you will only work and develop it, and there is plenty of iron ore. The Germans don't want more. They don't need it. They only make it an excuse for robbing the French. Their great desire is that the French shall not have it."

After four and a half hours with Muehlon we asked to see his children, two and a half, four, and seven

years of age. They were rosy red, of the distinct German type, but well bred.

As we left them I picked a flower from the garden wall, motored back to the city, admiring the evening sunshine on the snow-capped Bernese mountains, and reflected that one man on the side of God and His right and truth could constitute in this world a triumphant majority.

LETTER XII

COSTS AND INDEMNIFICATION

Geneva, Switzerland, September

BANKING Switzerland in calm meditation looks down from this "roof of the world" and coolly counts the war costs of the warring nations.

The banking circulars of the Swiss are the statistical authority upon the assets, resources, war costs and war liabilities of the European peoples.

THE STAGGERING COST OF WAR

I TRANSLATE the Swiss francs into dollars at five for one and thus tabulate the cost of war.

War expense first five months including mobilization	$10,000,000,000
War expense 1915 calendar year	26,000,000,000
" " 1916 " "	38,000,000,000
" " 1917 " "	60,000,000,000

Here is a total of war expense before 1918 of one hundred and thirty-four billion dollars.

Including the United States the war cost this year must increase by at least $20,000,000,000, making $80,000,000,000 as war expense bill of 1918, or a total next January of $214,000,000,000.

This is more than the wealth of the United States, and the war expenditure of 1918 alone exceeds the total value of Germany.

GERMAN INDEMNITIES

In the face of such figures the words "restitution" and "indemnification" as applied to Germany sound as hollow mockeries.

The practical problem for the peace conference will be the sum total of war cost or indemnification that can be laid on Germany and leave her able to pay principal and interest by three generations of labor, freed from the aspirations and expense of war and armament on both land and sea.

This is a simple problem in finance. We have it every day in mercantile life. The bankrupt can usually manage his assets to better advantage for his creditors than can the creditors committee or a receiver. The measure of the bankrupt's ability to pay is the measure of his credit with those with whom he has done business.

GERMANY'S MEASURE

Germany's assets and business are now wholly with her own people. The measure of her credit is the measure by which her own people have trusted her. This measure is in her eight war loans, aggregating thirty billion dollars.

If the people of Germany have trusted their Government for thirty billion dollars or more before her failure, the Allies may simply say: "Your war bonds are superseded by our prior mortgage claim of like

amount for the restitution of Belgium, Northern France, Serbia, Poland, etc. You may consider your own general war debt after you have made secure this fraction of what you owe us."

This would leave Germany with lands, houses, mines, machinery, and all other forms of wealth mortgaged for practically full value, for Germany was never rated as having more than seventy billions or one thousand dollars *per capita*.

But what is more important, it would leave her with some hope that ultimately she might pay interest upon her own internal debt. Hope is the great asset after all, and the German people must not be without hope in the world, or the peace settlements cannot be financed, and one sixth of Germany's war debt to the world be made secure.

BOYCOTTING OURSELVES

WAR has reached such a point that all talk of destroying the German people, German industry, German trade, is worse than useless. After Germany surrenders and becomes an asset in the hands of her creditors, the trade boycott upon her industry becomes a boycott upon the Allies — upon ourselves.

What is wanted in the settlements is not revenge, but insurance of enduring peace, sound economics and sound finance insuring the right relations between nations and their labor and capital for the largest fruitage in results. And the same principles

apply to Germany as a nation as to a debtor individual or any co-laborer.

INTEREST ON WAR COST

THE Swiss banking interests figure upon a minimum of five and a half per cent interest and one half per cent annual sinking fund or amortization payment for the ultimate redemption of the debt. The world must thus hereafter be called upon to pay to itself $1,000,000,000 a month for the interest and redemption of the debts of war. Yet Germany can pay but a fraction of this, perhaps a sixth.

THE WORLD'S DEBT EXPANSION

BEFORE the war the debt of the seven principal warring powers did not exceed $25,000,000,000, and the annual charge upon this debt for interest, etc., was a little over one billion dollars per annum.

Then the public and private fortune of Great Britain, France, Germany, Austria-Hungary, and Italy did not exceed $250,000,000.

One may see from this what it meant in the fight when the United States came forward and President Wilson pledged every dollar of $200,000,000,000 of American wealth to the war for national freedom and democracy. The United States alone then outclassed Germany three for one and more than doubled the wealth and machinery power of the Allies.

RESOURCES OF UNCLE SAM

THE United States entered the contest with only a billion debt, a negligible interest charge, and the ability, under wise financial administration, to shoot into Germany more than the entire wealth of Germany before any individual or nation could ask Uncle Sam, "Is it worth while?" or raise the slightest question of our financial solvency.

Whether you measure it in terms of wealth or financial resources under our solidified banking system, Uncle Sam stood head and shoulders over the whole world — a world in which the French figure that at the end of 1912 there was in circulating securities only $170,000,000,000.

At that same date the total gold and silver, extracted from the ground since the world began, hardly exceeded $30,000,000,000.

DEBTS AND TAXES

No nation entering the war contemplated any such tax burden as that assumed by the United States. There is only one justification for our tax proposals, and that is the certainty of a short war with the arrest for only a brief period of all our industrial progress and commercial and transportation construction. When savings and accumulations are wholly deflected from construction expansion while population increases, there is trouble ahead unless the tax

girdle is to be quickly unloosed from the throat of enterprise.

Germany has dodged taxes in her war gamble, and while losing in man power has grown rich in terms of machinery, finance, and productive energy. Within herself and with her war debt recognized in any peace settlement Germany would be richer and industrially stronger than ever before. She sees clearly her one weakness and calls loudly for a peace settlement that will save her honor and credit, and enable her to easily buy free raw materials over free oceans.

THE WAR DEBTS

War debts are not the same as war costs and in neither column are placed war's damages or war's betterments. The war damage and destruction may soon cease, but war expense must go on for at least a year after peace with maximum war expense during peace negotiations and a tapering off over the next two or three years. Later the expense of this war may be found rising again in pensions, to be possibly offset later by refundings.

War debts can never be closely computed, for beyond national war bonds there are treasury borrowings, paper money issues, and interior debts of states and communities.

The world's war debt, $135,000,000,000 at the end of July, must go on to more than $150,000,000,000 and approach $200,000,000,000 even if Germany does

not elect to shorten her line and fight a defensive battle well into next year.

A WORLD EXPANSION

TREMENDOUS as are these figures, they need not be alarming when we consider that the debt is to ourselves, and must inevitably produce financial and commercial expansion, if not inflation, distributing labor and enterprise over the earth, with enhancement not only of values but of the aggregate of human wealth.

Where Great Britain had formerly 345,100 holders of her national debt, she has now seventeen million investors.

Before the end of this year the United States Treasury will probably be able to report twenty-five million debt holders where formerly there were few owners of government bonds outside the national banks. Including war savings, as do the English figures, — Uncle Sam's investment family may run up to forty million people.

Do not these millions of new investors consider themselves rich from savings and loans to the Government?

Shall national bonds be computed as additions to national wealth? Why not? In bulk they distribute income and return taxes upon income. Bonds at par are really money in reserve, beget confidence, building and expansion.

THE DANGER

IT is not the national war debt that need cause any trouble. The trouble will be found in over-production, congestion in industries, and the demand of some forms of labor that they be allowed to eat up what is practically labor's employing capital. Schemes of confiscatory taxation can only further accentuate congestion and paralyze industry.

The six great powers, including the United States, now at war, are figured to the end of July, 1918, to have increased their net debt per inhabitant from $60 to $400, and another $100 must later be added thereto.

This means that every family of five has on the average gone under a yoke of debt for democracy of at least $2500. The interest demand on this will start at not less than $125 per annum, or $2.50 per week for the average family.

But be it remembered that the debt is all to ourselves. No other planet holds it, can collect the interest or dictate our future. The world is all here with ability to produce as never before and with stimulations in industry and finance as never before.

WHO PAYS?

THE labor of man and machinery, or man and his capital, must pay by work and production, and the pay is all to ourselves. The possible errors are all in

the direction of either capital destruction by taxation, reducing the tools in the hand of man, or by disorganization as in Russia destroying both labor and capital, carrying down to the chaos of Gehenna the state, the church, the family, and the individual man.

But this subject must be reserved for later treatment — possibly when I have returned to America with broader knowledge whither socialism, I.W.W.-ism and Bolshevikism are pushing an ignorant, unreflecting world and threatening loss of family life and savings.

LETTER XIII

THE REAL ARMY WORKERS

Tours, France, Autumn

THE triumph of the American soldier, the glories of Pershing's marching men, are on every lip. Nobody sings the song of the American soldier worker. Yet he has been the major part and has done the major work of our army in France for the first eighteen months of war.

Tours is the center of the industrial activities of the army as distinguished from its fighting activities. Everybody has heard that an army fights on its belly, and a bulging belly is never associated in the popular mind with athletic activities.

SOME SURPRISING FIGURES

YET before the American bayonet men can be sent across France to meet the foe, the S.O.S. — the Service of Supplies — must, with the primary and advance forces of half a million men, begin the construction of an army belly of such bulging proportions as the world has never before seen. And this army in size and activities must for many months be far and away ahead of the army units at the front.

The most surprising statistical situation greets one who gets down to facts and figures at the real army

base. When you learn that sixty per cent of the English forces in France are non-fighting men who represent the service of transportation and supplies, war takes on a new aspect and you begin to make comparisons between the forces of the different nations. You soon learn that every nation stands on and also fights from a base which cannot be compared with the bases of other nations.

COMPARISONS IMPOSSIBLE

ENGLAND must furnish a majority of the ships for ocean transportation, must protect and forward through England a majority of the American troops, must make good from her large reserves and stores deficiencies in food and munitions with her Allies, whether they be in France or Italy.

While the United States must do its transportation in France with military forces, the French army is found to have its supply and transportation bases long ago arranged for in the industries and railways of France as managed and worked by the civil population.

When the United States had a million and a half men overseas, more than forty per cent of them could be counted as in the service of supply and transportation.

The hope of the army engineering talent here at Tours is that when Uncle Sam has three million boys in France, less than a million, or only twenty-five to thirty per cent, will be required in this service.

UNNAMED HEROES

EVEN at that time, you will probably find nothing in the dispatches of the day, in the reviews or in the magazine articles, that will identify General Harbord, Chief of Staff with General Pershing and in charge of the supply service, or that will mention Harbord's Chief of Staff, General Johnson Hagood, who must sit here so many hundred miles from the front and have at his finger tips every detailed figure as to the American soldier's food supply in store and in transit, covering the next two or three months, as well as the location of the fifty thousand hospital beds that are occupied, and the eighty thousand more that can be quickly made up.

WHERE SUBMARINES DON'T COUNT

WHEN there were a million and a half men on the rolls of Pershing's army, there was in store forty-seven days' supplies and one hundred and four days' bread supplies. The aim is to maintain in store supplies for forty-five days, and another forty-five days' supply must be moving close behind.

And the marvelous thing about all the figures that are spread before the staff officers here is that only at one point can you find a dent made by the German submarine, and that was in Ford motor duplicate parts.

Three ships carrying such supplies happened to be

caught. Nowhere else were submarines a bother in the supply department.

BEATING THE SUBMARINE

I HAVE been told here the names of well-known big ships torpedoed by German submarines, but I shall not write them for they have not all been made public in the dispatches of the day. The useful fact is that our army organization is now so perfect at its bases and ports in France that torpedoes can go clean through a ship, or into one side of a compartment and blow out the other, and the ship return to the hands of the American workers in France, be repaired in a few days and again put on the speedway over the ocean.

Torpedoed ships have been repaired in France in less time than the great Leviathan wasted at Liverpool between moon tides to get out from behind the harbor bar.

ENGLAND'S SUPPLIES

I CAN make the statement on the highest authority that "the submarine peril has not equaled former sea perils in transportation of supplies or of troops," and also, "the submarine has not embarrassed us at all."

England now carries behind her war forces only two weeks' supplies. But she can replace the whole in a few days from her huge home reserves. The Germans

figure that on the March 21st drive they gathered a billion, five hundred million dollars' worth of supplies and munitions, mostly from the English — the greatest supply capture thus far recorded in the history of the world. Yet Lloyd George was able to announce in Parliament in a comparatively few days that all losses in France — men, munitions, and supplies — had been made good from the English reserves. The Germans may have figured their copper captured at the German price of more than one dollar per pound.

The United States must carry six weeks' supply behind her war front, as her home base is more than three thousand miles distant. We are not only doing this in France, but we are gaining in supplies per man. In other words the supplies are coming forward faster than the men.

SACRIFICES FOR BREAD

I KNOW this to be almost unbelievable, but it should be told in encouragement to the people at home who have voluntarily and so promptly assessed themselves that the boys at the front might be insured against any ocean or land disaster to their bread, meat, and sugar.

When the Central Powers' war front crumbles, there may be another appeal to America for bread — this time for the Teuton and his allies. And the limit of the food shipments to Europe will be found only

in the tonnage to transport it. If there is then any shortage in ships, it will not be the fault of the United States or her European Allies.

EXPANDING POPULATIONS

UNTIL the United States entered this war, the record for population or city expansion was held by Los Angeles, but it took fifty years to advance this California town from 50,000 population to nearly a million. But the ancient port of Brest had a hundred thousand population, and the United States is adding 150,000 to it in quicker time than 150,000 people were ever added to Los Angeles.

We don't wait here for popular votes on questions of water supply. This working American army went miles back of Brest and dug water wells and piped a new water supply into the town, and then, as at Gievres, fifty miles south, a camp was planned for 150,000 men with extension *via* hospital tents for another 50,000.

FORWARDING THE AMERICAN CRUSADERS

IT was estimated that Brest had capacity for handling 40,000 men per month. But 50,000 American boys have been landed at this port in a single day, and they did n't ask for much as they walked off the ship and snuggled down for the night.

The American soldier will undergo twice as much hardship as any sportsman at home, and it is said

that if he could only grow feathers, he could roost anywhere and do anything.

He has come overseas, eating his meals on shipboard standing up, made up his bed on the ship's dining tables, and when he has been moved over France in freight cars has sent word to his commanding officer: "Tell the colonel not to feel badly because we hungered and thirsted as we went forward on these freight cars for twenty-four hours. We hope he won't worry. We really enjoyed it." And on other freight cars where there was not sufficient side protection some of the boys slept and fell off.

Yet Uncle Sam endeavors to make every provision for the men who are arriving at the rate of 250,000 a month. Some soldiers think they must supply themselves. One man brought over seven pairs of shoes.

HOW WE BEGAN

WHAT the American crusader, arriving on a foreign shore at the rate of a quarter of a million a month and sometimes landing at a foreign port in numbers as high as 50,000 in a single day, means can only be guessed at from the western side of the Atlantic, where comparison must be made with the American army marching into Cuba. How the flags flew and the guns boomed in 1898 from the Atlantic to the Pacific. And during the whole war in Cuba we landed 30,000 troops on that foreign shore, so few miles distant from our own.

But let it not be forgotten that from that war we developed the backbone of our present war organization. From the Civil War and our war with Spain in Cuba and the Philippines we have kept the little flame of military art burning, and when challenged by Germany with the greatest military organization of which the world had ever dreamed, we were able in less than two years to put all previous military preparations ever made by any nation anywhere completely into the shade.

BUSINESS ORGANIZATIONS

BECAUSE we had the staff nucleus we were able to summon into an organization youths to bear arms, captains of industry for supply and transportation organization, and men beyond military age for sound counsel and advice in business organization. Sound business should always underlie the state as well as the church and the family.

It is an international business organization that regulates the Allies' food supply and interlaces the food bases. There is also one commission to look after the billeting of our troops in arrangement with the French, and another to make compensation for damages to French individuals or for property taken.

The French have every house and stable listed for billeting capacity, but our men cook their own food whether in chateau or farmhouse.

Payment for billeting in France is something like

one franc a day for officers and five centimes, or one cent a day, for the enlisted men who are entitled only to shelter.

When studying this situation, one begins to understand the American constitution which, written more than a hundred years ago, provided against billeting soldiers on the people in times of peace.

CUTTING COSTS

THE American officers have found the French officers and Government eminently fair in all adjustment and compensation. Dishonest Frenchmen who have collected twice for damages have been sent to prison, and when not long ago $180,000 was wanted for American railroad damages to land occupied, the French Ministry, on appeal, immediately wrote it down to $60,000 and then apologized to the Americans because it might possibly be $10,000 too much.

When at a French port the keeper of the leading hotel multiplied his prices to the American soldier three times, the American General appealed to the Provost Marshal, to the Police, and to the Maire. All said it was a business matter and they could not interfere.

Admiral Wilson, the commanding American officer, took the matter in hand, posted two soldiers with guns at the hotel entrance and notified all Americans to keep away. Then nobody else would go in. The hotelkeeper was on his knees in less than a week. His hotel

was empty and would the American admiral be good enough to write his own tariff for the hotel and save it from ruin. The American admiral kindly consented, and later throughout France there was a popular call where any extortionate hotels or cafés were found, "Oh, for an Admiral Wilson!"

KEEPING THE RECORD

BECAUSE of the staff organization at Washington, always studying for the future from the past, we have at Tours a recording system that is probably unmatched in the world. From it the staff is able to get information in fifteen minutes that was formerly not available under five years. Card data are dumped into a hopper and the result is automatically tabulated and computed with no human inaccuracy.

Should Washington or the military headquarters here wish to know the number of men in the army with black hair the recording and tabulating machinery will answer in a few minutes. There are one hundred and fifty classifications covering all questions of military value such as the number of head wounds to date, the number of men who have been wounded in the leg, or the number of men sick with any form of disease.

THE RETURN AND THE SALVAGE

THERE is one thing always kept in mind and that is that the United States army with its supply bases and

enormous construction and construction forces must be prepared for eventual evacuation.

Should the war end with three million men on French soil, it would take nearly two years to return all the troops. Under no circumstances at present in sight could our troops return in one year.

Construction is also with the idea of all possible salvage from construction when the war is over. But this must be taken up in another article reviewing our warehouse and railroad construction.

The greater salvage will be in the new life and new ideas and new spirit of international coöperation with which the American army will return to the states. It will understand organization, discipline, and mutual helpfulness, and will expand these in civil life with determination for upbuilding and defense, both at home and abroad.

LETTER XIV

AMERICAN RAILROADS IN FRANCE

Tours, France, Autumn

THE popular impression in the United States is that the American boys are building or have built a double track or four-track railroad from some Atlantic coast port straight to military headquarters.

The fact is that outside of terminal facilities the United States is not building and does not contemplate building twenty miles of railroad in France. But at the terminals and supply depots the American plans call for nearly two thousand miles of track with many thousand switches, more than seven hundred miles of such track having already been constructed.

At various points all over France you will see the American engineering forces and railroad construction gangs, but they are building sidings and extensions and storage depots and "duck-unders" and "jump-overs" to make the east-and-west connection for their military stores passing east and west without interfering with the French north-and-south railroad lines.

THE FRENCH RAILROADS

BEFORE the war France had more railroads than she needed for at least a generation with her non-expand-

ing population. Of late years her railroad development has been on war defense lines, with the Government sharing in the expense. Except in southern France and around Bordeaux and Marseilles and into Italy nearly all French railroad lines lead to Paris. When a Frenchman desires to travel, he usually takes a ticket for Paris and then transfers to the line reaching his destination.

In general terms, there are four trunk lines in France running north and south from the English Channel to the Mediterranean. In combination they make four national defense railroad lines which can be operated on a merchandizing basis or for the military service.

THE AMERICAN PROBLEM

THE railroad problem for the Americans was to enlarge the capacity of the east-and-west lines without interfering with the four French trunk lines or interfering with Paris.

French cars and locomotives had been reducing in condition and numbers for some years before the war, and the American engineers quickly saw that they must bring over their own locomotives and cars and build their own terminals, and that our problem in France was the same as it is in the United States — the everlasting problem of railroad terminals.

SUPPLY BASES

As the French towns have been built around their railroad terminals and depots, the Americans had to go outside the towns and cities for their terminals as well as their depots.

The United States is building six big supply bases which require an average of about two hundred and fifty miles of track and there are twelve engine terminals each calling for thirty miles of track.

More than one half the construction work has been done and more than one third of the rails have been laid.

SUPPLIES IN TRANSIT

WHILE the largest number of troops have come in by Brest, it has been one of the minor shipping ports for goods. Bordeaux and St. Nazaire each receive about one quarter of the American imports, but Le Havre and Rouen, Marseilles and Rochefort each receive large supplies.

THE UNLOADINGS

IN January the American forces unloaded 162,000 tons and in August 715,000 tons. The average for January was about 5000 tons per day and for August 23,000 tons per day. In September it was above 25,000 tons per day.

In a single day the American forces have taken off

the ships 30,000 tons and have handled as high as 174,000 tons in a single week.

In January it took nearly eighteen days to unload a ship. In August ships were unloaded in an average of about eight days.

BRITISH SHIPS

THE larger part of our troops have been moved over the ocean in British bottoms. When at the Versailles Conference the French put down the figures of how they would move the American troops overseas, Lloyd George naïvely inquired in what kind of ships France proposed to move them, and it had to be confessed that a majority of these French ships were really British.

The English official record shows that of the first 1,500,000 American troops sixty per cent came over in British bottoms. It also shows 13,000,000 troops transported (with loss of only 2700) in British ships, and over 2,000,000 tons deadweight of British shipping continuously employed in French service.

INLAND TRANSPORT

THE goods go inland in every sort of conveyance. Enormous lorries supplement the movement over the rail, and 45,000 tons a month go by canals. In some places horses are used in transport work and at the front there is still no more valuable carrier than the army mule.

OCEAN SPEEDING

IT would surprise the Germans if they knew the speed with which the ships they formerly owned are now being put across the water by American engineers. Indeed, the Germans have to account to their own people for their submarine failure and the American invasion by the declaration that with the seized German ships the Americans were able to get their troops quickly over the ocean. The Germans would be more surprised if they really knew the increased speed, the reduced coal and the reduced number of officers on each of these ships with which we now carry to Europe troops and army supplies.

Convoyed ships cross the ocean in seven and a half days, and the round circle has been made in nineteen days, including two days at each port for the loading and unloading.

On some matters it has been found that the transports were about as quick as the cables for intelligence communications.

THE AMERICAN RAILROAD MAN IN FRANCE

THERE are no politicians or embryo statesmen with the American railroad operators and engineers in France. There are one hundred and sixty-five railroad experts on the staff and they come from fifty United States railroads. They are all volunteers. Originally there were twelve Pennsylvania men, but

now the so-called Harriman lines, the Union Pacific and the Southern Pacific are represented by the larger number of men on the staff.

General W. W. Atterbury is at the head, but the Pennsylvania Railroad men concede that the Great Northern and Missouri Pacific men are doing the best work.

I found the railroad men most anxious for news from home and doubly anxious as to the chances of continued government operation of railroads in the United States.

The ablest railroad talent here agrees with the ablest railroad talent in the United States that government ownership of the railroads will be good for the investors and bad for the public.

Advices received here from the highest railroad authorities in the United States are that the American railroads are destined to go back to private ownership.

POSSIBILITIES FOR FRANCE

If France could be developed in oil or mineral wealth and sustain a larger population, there might be great development in that country from the American railroad and warehouse construction.

More than three hundred American soldiers have already taken French wives, and the belief in official quarters is that finally many thousand American boys will request to be relieved from duty on the

other side that they may settle down or wander in Europe.

What we are doing in the way of expanding possibilities in French transportation may be judged from a few statistics.

AMERICAN CARS IN FRANCE

In January, 1914, there were in France 371,000 cars, and four years later there were 366,000 cars, but 27,000 of these were in bad order, while in 1915 only 15,000 cars were reported in bad order.

The French cars are about one third the size of our cars, but if the American plans are completed there will be added to the railroad car capacity of France by the Americans at least forty per cent. There have been ordered 56,000 American cars, and if they are not all needed in France, they will certainly be needed in Europe. The gauge is the same, four feet, eight and one half inches, all over Europe except that Spain and Russia have broad gauge tracks. About ten thousand of these cars have already been put together by the American forces here.

LOCOMOTIVES IN FRANCE

In 1914 there were 14,000 French locomotives. In 1918 there were 15,000, but this year there were 2400 in bad order against 1500 four years ago.

The United States has ordered 2900 engines averaging more than double the horse power of the French

engines, so that here again the United States is adding forty per cent to the locomotive power of France. They also may be unnecessary in France later, but they can certainly be of value somewhere in Europe. Already more than 900 of these locomotives have been erected in France.

THE AMERICAN INVASION

THE size of the American railroad invasion may be judged from the fact that there are 50,000 railroad men already in France or more than are employed on the New Haven and Boston & Albany Railroad systems, covering all southern New England.

Americans are operating their own trains over the French rails and the American terminals and sidings. To date only seven miles of second track and only seven miles of entirely new double track, or about twenty miles of running track, have been built by the Americans in France.

LETTER XV

CAMPS, HOSPITALS, AND SALVAGES

Tours, France, Autumn

THE American boys in khaki are not in the English or French cities, but they can be found in camps that seem to cover the country from Liverpool to the South of France. That great modern hotel, the Adelphi at Liverpool, is empty except for a few stragglers in the tea-room, but every few days 30,000 troops debark, camp on Lord Derby's estate, Knotty Ash, and soon move south to accommodate the arrivals from the next convoy of more than a dozen ships that in their zebra stripes and camouflage color gyrations will give you optical delusions and brain problems even when you view them from the land and they lie still in the sunlight at their anchorages.

CAMPS EVERYWHERE

TRAVEL southward to the English Channel and on both sides of the railway you notice military camps and assume them to be English until you inquire and find that "Here is an American Training Camp; in the distance are the hangars and flying fields of the American aviators; on the other side of the track is an American Reserve or Rest Camp."

You wonder at this military invasion of England

when you thought your home troops were landing directly in France until you learn that while the first plans called for only ten or twenty per cent of the American troops to be transported through England, a large majority of them were landed first on English soil.

Motor from the English Channel to the South of France, and you will learn that both England and France have become vast military camps with hospital bases, supply bases, countless aviation grounds, and flying fields for more than one nation.

You inquire as you leave the English Channel the purpose of those new buildings on a distant hilltop and learn they are American aviation hangars. You exclaim, "What a target, and the Germans not fifty miles away," and the response is, "Yes, and they are bombed about every night, but the Germans are such bad shots from the air." The farther south you go, the bigger and more numerous appear the aviation fields.

THE AIR FORCES

You find England has two independent air forces, not the army and navy air forces, now consolidated, but an air force directed from France in conjunction with military operation and an independent air bombing force whose squadrons depart in flocks by night and bomb the Rhine cities and railroad junctions, munition works, and supply bases in Germany.

Go eighty-five miles southeast of Tours and you will find that the Americans have here the largest aviation center in the world — seven one-thousand-acre aviation fields at Issoudun. It is said that nearly one hundred men have been killed there in training, the majority of them by collision.

At Ramorantin is the aviation assembling plant with facilities for repairing fifty motors a day.

I would not think of publishing this on the day I obtained the figures, but since I have been down behind the line of battle east of Vimy Ridge, Arras, and Péronne, and have viewed the invincible hosts on their forward marches, I know that the data cannot go into print before the end is so clearly in sight that names, locations, and figures can no longer be of value to vanishing enemies.

MAPPING OUT FRANCE

WHEN you have thus traversed England and France, you are not surprised to find at headquarters here that the whole of France is on the American staff map in seven military districts, with the boundary lines fitted as far as possible to French military divisions and that England is here mapped as our eighth military district.

Throughout all these military divisions you will find American goods moving not only by railroads but by rivers and canals, motor trucks, steam tractors, drawing trailers, and mules with packs. If you

visit Gievres you can see the record of nineteen locomotives and seventy-one cars put together there in a single day. This will do for a record, but the average at all the locomotive and car works is not yet above a dozen locomotives or a hundred cars a day.

THE AMERICAN WIRES

WHILE the Americans have not built railroads across France they have constructed their own pole lines across the country carrying both telephone and telegraph lines.

Let me say right here that if you visit the devastated battle area of France in the Somme valley or north and south of it before it has been cleaned up in salvage you will be surprised at the miles and miles of covered wire bearing different colors for quick identification and repair and which are liable to entangle your feet if you are not careful as you step through the weeds between empty and water-filled shell-holes.

THE SALVAGES OF WAR

THERE are between four and five thousand workers in the salvage plant here which is called "Intermediate No. 8." There are also salvage departments at Bordeaux, Nantes, Lyons, and elsewhere.

Belgians and refugees from Northern France — those *répatriés* from behind the German lines that come through Switzerland — are glad to work here

at good wages in shifts from seven to one and one to eight, six hours for one shift and seven hours for the other. In some departments there is a night shift, especially when there is an extra demand in rubber or in leather goods. These departments are then operated in three eight-hour shifts.

Sometimes shoes go through here three times at an average cost of one dollar each time. They come up smiling as good as new for service. When finally returned there is still a salvage by the wonderful little machinery that draws the last remnants of leather out into shoe-strings. Even old hats are sterilized, cleansed, cut up, and made into excellent hospital slippers. Everything is first washed, then sterilized.

Five carloads of reclaimed goods go out on an average day, and their saving to the Government represents $100,000.

Of the apparel coming in, seventy-five per cent goes out and ninety per cent of the metal is sent back to the front.

Class A goods go back to soldiers; Class B goods are used by troops in stevedore work and Class C goods go to working war prisoners. The uniforms of the war prisoners are dyed green that they may be easily identified.

Wages at the salvage plant here run from seven to ten francs a day and some get as high as twelve and fourteen francs on piece work.

THE SINGER SEWING MACHINE

PEOPLE who see the tall Singer Building in New York and yet taller quotations for Singer Sewing Machine shares may get a renewed sense of what the Singer sewing machine is industrially from two different points in this country. You may see the Singer sewing machines by the hundred in reclamation works in France and you may see in the war-devastated regions the ruins of Singer sewing machine factories, notably at Albert where the wreck looms up larger than the railroad station.

OUR HOSPITAL BASE

THERE is no finer motor trip in all France than that through the Château country from Tours to St. Nazaire beside one of the great rivers of France, the Loire. Again you look at the map and are surprised to find that this great river of the west has its headwaters not far from Marseilles on the Mediterranean coast.

Approaching St. Nazaire at the mouth of the river after you have motored about a hundred miles you stop at Savenay, the hospital base for all the wounded men returning to the States.

Savenay had a population of less than one thousand before the war. Now it has five thousand people, and when the hospital buildings are finished and the twenty-five thousand beds are filled, the population may not be far from thirty thousand.

The French turned over a beautiful group of Normal School buildings just finishing in a garden of flowers, and American engineers are expanding these into thirteen hundred buildings under seventeen units of service.

Only a few hundred are now finished but the construction is more than half done and the whole is planned for completion next April.

EXPANDING SAVENAY

THE scheme covers eight hundred acres with capacity for twenty thousand patients, and five thousand convalescents, and with tents double that number of convalescents as "crisis capacity."

The hospital takes all kinds of cases, but the mental and tubercular cases are soon dispatched to the States.

There are now between four and five thousand patients and the equipment is complete in every detail except that of expansion. There is a special orthopedic staff dealing with fractures and amputations; and although it is not particularly pleasant to view the upright stump of a leg in the operating-room while the surgeon drops a few inches of fractured bone into the pan, it was glorious to hear the American soldier say: "It cost a leg; but it was worth it and I have no regrets."

When I visited the hospital the majority of cases were surgical and more than a thousand patients were ready for return to the States.

It was with a feeling of American pride that one could view the completeness of the American equipment here that covered everything from X-ray to statistical departments.

AN ENGLISH HOSPITAL BASE

A FEW days later I was back at the English Channel, which I had to cross four times on this European trip. I went at the personal request of Lord Derby to see the English base hospital at Trouville, the largest in France.

Lord Derby is a man of the largest international sympathies and would, I am sure, receive a cordial welcome in America at either New York or Washington. He may be remembered by his Fourth of July speech at Paris defending the American Revolution — think of that for a British Minister at Paris — and before the war is over a million American boys may have broken bread in camp on his Liverpool estates.

RESTORING THE MUSCLE

DERBY takes a great interest in the Trouville hospital because of its scientific arrangement for physical exercises to restore the strength of injured muscles by games, dancing, etc. There are ladies to teach the dancing and arrange the music and games to properly set and stretch the muscles of the men. There are also theaters, Y.M.C.A. huts, and Salvation Army units.

The hospital is built for twenty-five thousand men

on top of a majestic hill overlooking the Channel. A narrow-gauge railroad is operated for three or four miles to take the wounded up the hill. Sections were opened in January, March, and April of this year.

THE HUMAN SALVAGE

THE former practice was to send every wounded man to England. Now transportation is saved and the men are more quickly returned to duty. Only three thousand sick and wounded have been sent from here to England, but ninety-seven thousand have been returned to the lines "duty fit." Already eighty-one per cent of the admissions have been returned to the front. The average stay is between three and four weeks.

The trains bring in four hundred at a time and the convalescents go out eight hundred at a time. There are thirty-eight physicians, one hundred and twenty-five nurses and one hundred and twenty-five clerks, helpers, etc.

The relatively small staff is due to the fact that fifteen thousand out of the twenty-five thousand beds are now used by convalescents. One kitchen range cooks for five thousand people. The sick and the convalescents require several meals and five or six are daily served.

There are fifteen hundred German prisoners and eight hundred laborers all working, but mostly in vegetable and flower gardens.

COMPARATIVE CONSTRUCTION

ALL the above is preliminary to the more interesting statement that as between the American base hospital of twenty-five thousand beds at Savenay and the English hospital base for twenty-five thousand men at Trouville, the English construction is of the most temporary character while the American construction is as if for a generation. Little wonder therefore that the Germans have tried to stir up the French with statements that the American invasion of France was for permanent occupancy.

At Trouville the three general hospital units are built largely of the famous Nissen huts — just a curved roof of corrugated iron that can be quickly thrown over a frame. The appearance is of a giant tube of sheets of corrugated iron, the tube split down the middle and chopped by giant scissors into lengths that can give roof to squads of sixteen to eighteen men. Some have arrangements for ventilation at the top, but most of them are ventilated at the ends.

The American hospital camp at Savenay, outside of the stone buildings at the center, will be composed of more than a thousand wooden buildings that can be maintained for many years.

PATCHING THE WOUNDED

ONE need not speak of American or English surgery. With the Allies practically all surgery is now

international and what one hospital does another may do.

I know a Canadian soldier who has a middle toe grafted from a fellow soldier who had to lose his leg. One of his companions has a nerve in his right arm that was grafted from another man, but he cannot explain why he now finds his funny bone on the inside rather than the outside of his arm. I hear of another soldier the blood of whose arm courses more than a foot through a vein grafted from a fellow soldier.

Another soldier was smashed on the head so that his brain protruded and his nerves were so affected that he could not walk but was forced to run top speed to the hospital dressing-table. The surgeon sacrificed a small piece of the brain and for some time the man could write things he could not speak. He also found himself left handed, but he was able later to educate the right side of his brain to do the work of the left side so that he again became right handed.

WONDERFUL SURGERY

A CANADIAN soldier was so shot through the head as to lose the upper part of his nose. As he lay on the dressing-table a surgeon friend remarked:

"Well, Bill, you may be interested to know that you have an unusual experience. Your brains are out on your face."

Between a squeak and a whistle the wounded man replied: "Doc, I'll pay you to write that statement

and sign it. Where I come from they say I have n't any."

Said the surgeon: "I'll do better. I'll put back your brains and give you a new nose if you'll spare one of your fingers."

And he did. He tied up the soldier's arm, grafted his finger into his head, and when it had sufficiently set, severed the finger, and gradually manipulated it into a nose.

RATTLING HIS OWN BONES

A SOLDIER showed me his left elbow and forearm that had been broken into so many pieces I dare not name them. Pieces of bone and celluloid had been so wire-woven together under the flesh that only a slight scar remained, and he could lift his hand to his mouth but not to his shoulder.

He told me he had no pain but woke with a laugh every morning because as he turned over in bed he could hear his bones rattle, and he could claim, he thought, that he was the only man in the world who could amuse himself by rattling his own bones.

MAN'S DOUBLE BODY

PROBABLY not every hospital has the wonderful bone-setting machinery of American invention by which twin saws can sliver a bone from the leg with both ends exactly pointed to dovetail into the *v*'s — similarly cut in the parted bone ends of an arm — to

there grow into the full arm bone in from four to six months.

Such cases are one hundred per cent perfect when the bone has been taken from the person himself and ninety-six per cent when the bone has been taken from others.

Let psychologists and material men who think that man has only one body reflect upon St. Paul's declaration concerning a spiritual body and this now proved fact in bone surgery, to wit: — if the inserted bone is too large it will reduce in size to that of its predecessor and a bone sliver will grow to occupy the full space allotted for that bone in the man's body — or bodies.

LETTER XVI

OUR WAREHOUSES AND THEIR FUTURE

St. Nazaire, France, Autumn

THE first question put up to me at this port was by American officers as to what should be their policy toward visiting Spanish generals, majors, and military attachés, and also newspaper men from neutral countries. I declared it was good policy to let the neutral countries know that the Americans were here and what they were doing.

THE AMERICAN PRESSURE

IT is estimated that there are more than a million Germans in Spain. They have filled the country with such fairy tales concerning the Americans that a recent military party arrived from Spain with expectations of seeing very few Americans, and those doing practically nothing. When they viewed the wharves, docks, machine shops, and storehouses they threw up their hands and exclaimed, "It is all over with Germany. She cannot stand this American pressure."

Six months ago the Americans started to build warehouses on swamps and meadows by the river at Montoir adjoining St. Nazaire. A few weeks ago the Spaniards looked at the pier plan and said, "Can

you build this in a year?" The response was, "General, come back in ninety days and I will land you from your ship here with the pier finished."

STARTLING THE EUROPEANS

THE dash and go in American construction here was more astounding to the Spaniards than to the French. At Brest the French and Americans started in construction work on the same day. When the French had finished one hundred and fifty yards, the Americans had done a mile.

The French take more pride in their artillery than in almost any other feature of their military service. In this war they have made world records in effective gunnery. The American boys watched the French move thirteen and one half ton guns into position in forty-five minutes with horses and motors. Then the Frenchmen saw the American boys do it in twelve and one half minutes, and they did not use either horses or motors. Fifty American officers and men put the gun into place, and they were the talk of the town at that French camp. Afterwards, the Frenchmen called upon their officers for themselves and all their man power to do this work when the tractor was not about.

When the Germans met the American gunners, they thought a new kind of rapid-fire three-inch gun had come into the war because it shot so much more rapidly.

AN OLD PORT AMERICANIZED

THE population of St. Nazaire has gone up from forty-five thousand to nearly double that number. But the incoming population has taken the waterfront and is doing the business.

French shipbuilding here has for the time been abandoned and the "Paris," at the time of her launching the third largest steamer in the world, still hangs in the dock afloat but without machinery.

The French will not move her or sell her, but declare she must be held in reserve for competition with Germany after the war, as Germany is planning for yet bigger international passenger and freight steamers.

THE AMERICAN LOCOMOTIVE

THE French plant wherein is still installed a battleship's turret boring machine, probably the largest in the world, with its sixty-foot table, is now the assembling plant for the American locomotives.

It takes ten hours for the American boys at this plant to put an engine together and ship it off on its wheels. But it requires between twenty and thirty hours when the two thousand parts of a single locomotive have to be taken out of their nineteen shipping cases and reassembled.

The previous week's record was given to me as "ninety-two locomotives turned out in seven days, of

which thirty-five arrived in boxes, fifty-two with wheels attached, and five in various conditions; but our usual record is six locomotives a day."

GIANT CRANES AND GUNS

At this port also are the giant cranes, one of one hundred tons, a second of one hundred and twenty-five tons, and a third of one hundred and fifty tons, said to be the largest in the world, which will pick up an eighty-two ton Baldwin locomotive representing a cost of not less than forty thousand dollars, and place it on rail or transport as tenderly as an elephant would move a child.

Looming above the piles of goods are the big guns for the front — train loads of ten-inch camouflaged guns on camouflaged cars ready for movement, twelve wheels under each car and figuratively representing the effective range of these twelve-mile guns.

But high above these loom the fourteen-inch naval guns. Through a barrel seven hundred inches long they throw a fourteen-hundred-pound shot thirty miles. They are not only here but at the front, doing effective work with the naval people operating them.

There are fifteen cars in a battle train, including officers, munitions, and repair sections.

PRAISE FOR EUROPEAN METAL-WORK

This is no longer a port for incoming troops, but no port outranks it in goods received. The rifles are not

here, they come in with the troops. American soldiers I have met say the German rifles will stand more knocking about and rust less than the American guns.

The American engineers also declare that the French locomotive will stand hard work and last longer than the American if well taken care of. The French engineer looks after his locomotive as though it were a watch, and has the shivers for his pet whenever an American is permitted at the throttle.

MOTOR TRUCKS AND CARS

BESIDES a car assembling plant there is here one of the largest automobile assembling plants in France. Formerly motor cars were shipped complete, but a few weeks ago it was decided to box them and use the wood and hay in the service, thus economizing in space.

Twenty thousand vehicles have been assembled here in the last six months. One hundred men can put together fifty trucks in a day. You cannot pass from Tours to St. Nazaire without meeting many days of them. They move in armies on the highway, and about this port you will see them early and late, each carrying as high as fifty men to and from construction work.

PRISONERS AND ARMY WORKERS

THE construction gangs are of all sorts. German prisoners — nine thousand of them — are making roads and camps. They work ten hours a day and get the same rations and tobacco as our soldiers and also

receive a stipend of four cents a day. Their houses are warm, clean, and sanitary, and they are well satisfied with their food, housing, and work.

Many of them say they are better treated than at home. Most of them are good workers and will do better work than the American colored brother who is here used as a stevedore to the number of about three thousand.

There is not only every kind of an army tractor seen upon the highway here, but the motor cars hold distinctive rank. While Sammy and the construction workers ride in the big army lorries, a lieutenant may enjoy a Ford car, the captain claim a Dodge, and the colonel sport a Cadillac.

But the workers who get the real money are the French masons and builders. The Grand Hotel is being extensively repaired and improved. The estimated cost was three hundred thousand francs. It is now said that the work is going to cost one million francs.

French masons before the war received six to eight francs per day. Now they get twenty-five francs or five dollars per day and upwards.

COMPLAINTS

You sometimes hear the same story as in England, where there is complaint about the pound a day paid to the makers of shells when only a shilling a day goes to the men who stop them.

Some of the shipworkers, as enlisted men, complain at thirty-three dollars a month and board to do the work of men at home who get from forty-eight to eighty-eight dollars a week without board.

BLACK JACK PERSHING

GENERAL PERSHING does not overlook the men here. Before he started his drive for St. Mihiel, after gathering in all the automobiles including those of the Red Cross and intelligence staff, to make prompt movement of his troops, he came down to his real supply and transportation base here to make sure that everything was all right. He personally addressed the work gangs, black and white, and said, "You black men, I know you, for I was brought up with you and I know you can work and I want you to give me your best."

From Missouri times of old our commanding general has been known as "Black Jack Pershing."

When I remarked that the American motor-cycle couriers carrying mail bags ought to be pleased with their job, the response was, "Perhaps you would like it. Motor-cycle couriers back of the firing line have been shot and their bags rifled by German sympathizers or spies."

AN AMERICAN WAREHOUSE CITY

THERE was no room on the water-front at St. Nazaire for a new American warehouse city forming an im-

portant part of our warehousing system holding more goods than are contained in all the warehouses of Chicago.

There must be here and at other ports forty-five days' supplies for 3,000,000 men. With regular sailings the American supply depots will be able to provision armies of 4,500,000 men.

Therefore the Americans moved up the river back of the town and planned 4½ square miles of warehouses with more than 200 miles of railroad tracks and 1000 railroad switches.

By filling here they raised marsh and meadow by two to three feet. They put in cement bases for steel supports and steel framework and covered these with corrugated iron and monitor topped roofs lighting all the storage spaces.

They planned here for 183 warehouses and have them half built. Four ordnance warehouses 60 by 150 feet and more than 40 goods warehouses each 500 by 50 feet are completed, and the whole project should be finished this winter.

In surface measurement there will be 5½ million square feet of covered storage and 10½ million square feet of open storage and a dock or pier 1300 feet long, with 30 feet of water at low tide, 50 feet of water at high tide, and berths for ten ships.

There are already in store three meals a day for 20 days for more than 1,000,000 men and the variety of food is as astonishing as the amount. There is not

only sugar, tobacco, and beans, but everything from prunes and dried peaches to grape juice.

There is not a timber in the whole structure; everything is iron, steel, and cement, and everything even to the cement comes from the United States.

The problem soon will be their destiny after the war.

Absolutely fireproof and constructed so that with a bit of paint to prevent corrosion they may last indefinitely, they will soon present the most interesting salvage problem of the war.

WHAT SHOULD BE

At the capital of Switzerland I found our enterprising Minister Stovell with his able lieutenants in a beautiful château in a garden of trees, shrubs, and flowers. He lamented that he could not get the appropriation through Congress to buy for $100,000 this beautiful place now rented for an American embassy.

We perfectly agreed that the United States should not be behind other nations in the housing of its embassies in adequate and imposing quarters worthily representing a great people and that government proprietorship permitting improvement and expansion was the only proper policy.

But a new light has dawned upon me as I have viewed the American warehouses in France and have reflected upon our necessities for the future.

The wealth of a nation is not in prices but in pro-

duction, and reserves in store. As Cuba has been crying for sugar storage to save half a cent a pound, so the South has been crying for warehouses to salvage the cotton crop and equalize distribution and prices. Europe has had the advantage of its great warehouses and its more settled finance and has been able to take advantage of necessitous shipments from over the ocean.

The great cry after the war will be for expanding commerce. But how can you have expanding commerce without warehouses and goods in reserve store?

How also may you promote commerce without commercial consulates in association with your embassies and your federal reserve finance?

The solution of the American warehouse salvage problem in France should be clear. It links with our foreign embassy real estate problem, our commercial consulates and our federal reserve act expanding American commerce, which expansion must be planned for after the war if we are to avoid labor trouble and industrial disorganization arising from a superabundant home production capacity.

Why build warehouses for cotton in the South when we have empty warehouses in Europe, and idle ships that may fill them with American goods?

A PROVIDENCE NOT OUR OWN

It has not been in the wisdom of Congress, but it may have been in the wisdom of an overruling Provi-

dence, that we have not bought land and buildings for our foreign embassies. The need of ourselves for the future and of every European capital is a foreign branch bank of the Federal Reserve system joined with an American commercial consulate over which may preside an American embassy. And the American goods they should help distribute over Europe should be in store in our foreign warehouses.

When the Swiss want sugar, or the Italians need cotton, or the English need American tractors, or the French need American oil-drilling or coal-mining machinery, why should not the foreign customer seeking American goods be able to apply to an American consulate at his own capital and receive American business catalogues? And in the same building get rates of exchange and transmit his money through the federal reserve system direct to America and order his goods from store on either side of the ocean?

What could be more helpful to France and to our international relations than to have the world's shipping able to get American goods from United States Government warehouses in the leading ports of France?

LETTER XVII

THE AMERICAN INFLUX

Paris, France, Autumn

I ASKED an enterprising international banker here to name the most interesting and impressive things of the war. He responded promptly:

"First — The extraordinary use of black troops by the French. Nine hundred thousand black men fighting and dying for France is a marvelous fact.

"Second — The extraordinary way in which the English have become a scientific army.

"Third — The size of the American influx."

It is true that the English had to send back their Indiamen from France because they needed special food and could not stand shell shock with the reserve strength of the white troops. But these Indiamen went to Egypt and Palestine and it was the India cavalrymen that rounded up the Turks in Allenby's great victory.

THE AMERICAN RELIEF

I DID not realize what the influx of American soldiers to France by the million meant until I studied the figures of English and French losses and what remained.

I expected to find on French soil more English

troops than there were left of the fighting French. But the English officials admitted to me that as they had to carry their own supply bases and transportation outfit, they could not hope to equal at the front the number of French "bayonet men."

THE FRENCH SACRIFICE

FRANCE is killing off her own cattle for meat, instead of importing hay from America. She figures that the French colonies can supply the cattle later, and that all tonnage must be put into the Atlantic service. Nevertheless France has increased her percentage of food production more than the United States. The women and children and old men have worked as never before.

Yet England has at times been called upon to help feed the French, and more than any other nation has fed and supported the Belgians. England has supplied machine guns for Italy, and kept 400 British ships since 1914 in the service of Italy while lending 600 ships to France. England also has sent across the English Channel 26,000,000 tons of ammunition and 130,000,000 tons of food.

THE ENGLISH SUPPORT

THE agreement between England and France called for support of the French by the English fleet and seventy divisions or about one and a half million men. The French were to keep one hundred and

forty divisions or three million men and they had three and one half million men until this year, when their losses were so heavy that the English had to take up more of their front. It was through this extended line that the Germans broke on March 21.

England has more than made good her agreement, but she has now less than two million men in France and less than a million bayonet men. Hence the public declaration that the American influx if continued would put more Americans at the front than the combined French and English armies in the fighting line.

It must be remembered that England has seven armies fighting over the earth, six of them outside of France.

When American officials arrive in France and ask for the seven million of England's enlisted men, they appear surprised to find that the majority of them are not here.

But when the world hears the real truth it will be astounded at the size of England's losses. Nearly one half of her seven million heroes can be accounted for in a million dead, a million crippled, and more than another million wounded, convalescent, and in prison. No man in England will discuss whether the war will end this year or next or the year after.

THE END OF THE WAR

An English officer said he had received from his brother officer at the front his first real hope for the

termination of the war. He had received a postscript on the last letter which read, "I now feel that the war will not last forever."

This was quite in agreement with the sentiment of that English lady who declared that the first five years would be the worst.

But neither of these was the sentiment of the German prisoners fresh from the front with whom I talked in a new prison camp between Péronne and Bapaume. They declared that the war would be over before Christmas, that the German man-power losses were too great and that the remaining men would not fight much longer.

THE LOSSES

WHEN one contemplates the exhaustion of the three great fighting armies in Europe from more than four years of fighting, with a million English dead, more than a million and a half French dead and more than three million German dead and altogether nearer fifteen million than ten million human casualties, he begins to understand here the declaration of the Allies that two million fresh Americans will be an enormous force. Indeed, the total French and English "bayonet men" combined must be reckoned as nearer two million than three million men.

Since the March 21 drive the casualties with the Allies have been nearly eight hundred thousand; with the Germans nearly 1,200,000.

In the marshes of Flanders alone the English have an unpublished record estimated at nearly a million casualties. When I stood on Vimy Ridge looking down into Lens, two and a half miles away, with the Germans holding one half that city and the Allies the other half, one could survey a field where nearly a million men had gone down.

From these figures one could in part realize what it meant when the Americans promised Foch six hundred thousand American rifles by July 1. Both the American and English agreements with the French have been more than made good.

THE AMERICAN RECRUIT

THE military history of the American soldier in France has yet to be written. I feared that the praises of the French and English for the American fighting men were internationally complimentary and meant to stimulate the American blood. I found the American soldier had delivered the goods and far beyond expectations.

The Americans talk of Château Thierry, but the French will tell you that the battle of Belleau Wood in the Château Thierry sector was the important battle of the war. Here the daring of the American Marines astounded all Europe.

They were sent in automobiles from the north and met the French retreating. The French said, "Come along with us," and the American boys responded,

"Hell, we were told to go the other way and we're going," and they have never stopped going. They swept the French along with them and inspired the English.

They had been taught that the Boche was a rough fighting fellow and must be given rough handling. Therefore the American boys went after the Hun "to kill or be killed." Even the Australian fighters threw up their hands and declared that the American fighters were too rough for them.

BELLEAU WOOD THE KEY TO VICTORY

THOSE Americans astounded all Europe by moving individually against German machine guns. Experienced military men said it was madness.

But our boys crawled through the wheat-fields on their bellies, through machine-gun fire, reached the Hun gunners, paid no attention to the cry of "Kamerad," but slew them between the rocks and stones of Belleau Wood. The Americans said, "You slew our men in the wheat-fields without mercy and you will get none in this wood." It took more than a week to count the German dead and dig the bodies out from between the stones where the machine guns had been concealed.

THE RETURN OF THE MAYFLOWER

AFTER the June advance on Belleau Wood and the July advance from Château Thierry, those who had

left Paris on the German approach — more than a million — quickly returned. French milliners and dressmakers were given orders, full-up, for the winter's celebration. The end was in sight before the St. Mihiel drive.

Everywhere now throughout England and France it is agreed and welcomed that the United States has won the war and is entitled to dictate the terms of peace. It is declared that the United States has saved Europe and western civilization.

At a public meeting in London where there was much dreary talking, one Englishman dropped the luminous phrase:

"After nearly three hundred years, at last the Mayflower has returned home."

LETTER XVIII

THE AMERICAN SOLDIER

Paris, France, Autumn

BELLEAU WOOD has been proclaimed in France the Waterloo of the Hun, the Thermopylæ in civilization's defense; but neither description fits the case. It was not a sacrificial defense as at Thermopylæ, save as it was a defense by attack. The Americans suffered heavily, but the military reports show the crack German troops annihilated, nine hundred killed, three hundred prisoners, and practically none escaped. It was not a Waterloo where contending armies met to decide the fate of nations, although the fighting and the victory were bigger here than at Château Thierry. The news reports never gave the military details and often spoke of the fighting here as so many miles northwest of Château Thierry. While Château Thierry stands on the map, Belleau Wood may ring down in history as the turning-point of the war, because it demonstrated the quality of the American troops.

The German officers declared the Americans were mad, drunk, or crazy.

GERMANY'S DANGER

A LETTER found on a German officer read: "These Americans are not soldiers; know nothing of war and

care nothing about war. Their motto is 'Kill or be killed.' They are just fighters and unfortunately very dangerous to our men."

Belleau Wood showed the freshly trained Americans to be the most dangerous fighters the Germans had yet encountered — not braver, stronger, or sturdier than the French, English, or Colonials, but having the qualities of these with an added freshness.

To the north in the Ypres sector our Portuguese allies had been scattered by the Germans as though blown by a hurricane. It is said that some of the Portuguese never stopped running until they arrived back at French ports. They were untrained and undisciplined.

THE PROBLEM

THE problem of Europe was the quality of the raw recruits from the United States. Belleau Wood proved the American soldier to have no superior.

His capacity in organization as well as his individual initiative, his bravery, and his strength were here blazoned before the military powers of Europe.

The American army — men, officers, and organization — might be relied upon. They carried the inspiration of a Waterloo and a Thermopylæ combined. It was not the size of the contest, it was the inspiration.

Belleau Wood in its inspiring influence was worth a

million men, for it made advancing heroes of ten million Allies fighting the world around for Freedom and Civilization.

THE INSPIRATION

THE most inspiring sight I have witnessed in Europe was the forward march of the American boys as they swung across the devastated area of France to the battle front. They were bigger and fresher and sturdier than any troops left in the war-wearied nations.

I saw them at many points, but the most memorable was one day after I had motored from shell-shocked Amiens through the destroyed cities of Péronne, Bapaume, and Albert and was heading up toward the citadel city of Doullens. Suddenly an army in American khaki turned the corner and swung down the road on its eastward march. They were the finest troops I had ever seen. With manly step and high head, they swung along and sang as they marched into the hell-gassed area of France, from which I was just emerging, with an odor in my clothes and a tickle in my throat destined to last for some days.

"From what State and what regiment?" we called out, and a chorus of voices answered back, "New York, the 105th!" In a few minutes this little American army had passed on, but the picture with its sunset in the west and its background of Hun devastation to the east, will ever remain and illumine the lines so soul-stirringly sung by John McCormack,

"The Americans Come," wherein the French boy replies to his blind father:

> "There are men, my father, brown and strong,
> And they carry a banner of wondrous hue;
> With a mighty tread they swing along;
> Now I see white stars on a field of blue!"

What must these brown, strong young men mean to the men and women of France when their very passing will lift the hearts of their own fellow citizens right up into their throats?

> "And never spring has thrust such blades
> Against the light of dawn,
> As yonder waving stalks of steel
> That move so shining on."
>
> . . . . . .
>
> "And God is in His judgment seat,
> And Christ is on His tree,
> And Pershing's men are marching,
> Marching into Picardy."

PREPARATION IN ORGANIZATION

WAR is always the great uncoverer, the great developer of strength, the revealer of national and individual weaknesses, the great inventor and the great discoverer.

Germany has never been a land of original inventions, but has been a great workshop perfecting the inventions of others. She took her dye industry from Great Britain and perfected it with infinite detail. She took the inventions of war, made mostly by Americans, and built them into such a military organ-

ization, according to her mathematics, as no nation on either side of the water could duplicate in time to cope with her in world conquest. Nearly thirty years ago Kaiser William came to the helm of state. In 1890 he dropped Pilot Bismarck and started his military preparations for dominion by land and sea. He converted and educated all Germany on the line that right lay in might, that Germany had the might and need only await "The Day."

It took fifty years and wars with Denmark, Austria, and France to make the German soldier and perfect his war machine; and the world outside lay asleep — a fat pasture for German pillage.

But the men who invent for Germany can invent for themselves and her first check came from the individual fighting man and his trench warfare.

THE GREAT DISCOVERY

FROM Switzerland to the sea he dug in. Then he built his war machine and made inventions and discoveries in ocean, earth, and air; in chemistry and mechanics. But the first and the last discoveries of this great war are one and the same and they are in the individual man.

The individual man digging his trench arrested the German war machine; the individual sacrifice of the Frenchmen and the Englishmen made victory of that war machine impossible. The individual American fighter will finish that German war machine.

And this is the great discovery that has nullified the war work of two generations in Germany, and I have the statement of that discovery from military, medical, and scientific authority in England. It reads thus: "The great discovery of the war is this: We have found that we can make a citizen a soldier with thirteen weeks of training."

THE UNDISCIPLINED RECRUIT

The English at first distrusted the untrained Canadian recruits and later awarded them Palms of Victory. Then the Canadians took off their hats to the undisciplined Australian volunteers, who became the terrorizing fighters of the front. It was soon seen that daring and sacrifice in fighting might at times be more than organization and discipline. Then the Australians took off their hats to the American boys. They too were unsurpassed fighting recruits, but they had organization and discipline and that is the marvel of the American army. The American army is nowhere outranked in organization, discipline, form, and military etiquette. Indeed, the British officers told me they were surprising sticklers for military red tape and prompt salutes in recognition of place and authority.

Even an Alabama negro, repairing a French highway, will straighten up and give a military salute that in reach, grace, and precision cannot be equaled by any white soldier in Europe.

GENERAL PERSHING

AMERICAN business brains have been concentrated in Paris in support of foreign purchases and American supplies to such a degree that one may get here the very best judgment and that at close hand concerning the American soldier and his military leadership.

One such American business man, whose name is almost a household word in America, said to me: "I never saw a man grow as Pershing has. He is big and broad and the right man and he should not be hampered from America. He should be in full command, and what he wants he should have."

I understand that there has been considerable discussion here with Washington as to the use of shipping to carry the bulky planes of the American flyers. Pershing has maintained that freight room could be saved by shipping the American engines and building the planes in Europe, where there is full capacity for such work.

YOUTH AND AGE

THE marvelous thing in Europe is what our young men can accomplish. Of course, our first millions must be the flower of our youth. The young men of Europe have been more than decimated.

The marvel to the Americans is the work done in Europe by what we should call men of advanced years.

General Foch is sixty-seven, rises promptly at six-thirty; promptly lunches at twelve and as promptly retires at ten-thirty.

The American soldier-boy had his opportunity at the psychological moment — a week later and his task would have been much harder.

General Foch had his opportunity in the unified command. It is said here that London made all the trouble by holding control of the strategy. The War Office in London can speak in five minutes directly with any British fighting unit at the front and the War Office in London has really been too close to the fighting line.

THE AMERICAN WOUNDED

Before Washington had reported 20,000 casualties, officers in both the English and American armies estimated more than 100,000.

While I was looking into the details, Secretary Baker came out with the statement that the dead and serious casualties did not exceed 30,000. This was what the officers estimated to me when they said the total casualties were above 100,000. They said the majority of the casualties were clean machine-gun wounds and that out of 100,000 wounded men, there might be less than 20,000 killed and seriously wounded. Indeed, before Secretary Baker had made his statement they had estimated for me that eighty per cent of the first 100,000 wounded would go back

to the front. But they declared that more than 100,000 American boys had been hit.

I figured that Secretary Baker was not only right in his declaration, but in his policy. No good was to be served by crowding the cables with the names of the slightly wounded. But I also figured that every American soldier and citizen would declare that twice 100,000 American lives would have been a small price to pay for the inspiration the American soldier put into the war-tired armies of Europe defending the liberties of the world.

LETTER XIX

THE FRENCH RESTORATION

Paris, France, Autumn

I KNOW very well that American metal and lumber men and captains in American industry and finance are figuring on the restoration of France and the demand it will make upon the resources of the world. But I am wondering how many of them have been down through the devastated region of our sister republic and found the basal problem that must underlie that restoration.

THE INVADED TERRITORY

THE section of northern France invaded by the Germans does not look large on the map of that country — less than seven per cent — but it represented nearly one quarter of the national revenues, and was a garden of verdure, of cities, and of industries.

Amiens and Péronne were not created by the lazy lapping waters of the Somme.

From Amiens to St. Quentin, the great smooth highway now kept in repair by the Allies will take you straight as an arrow across this field of desolation through what were once the waving fields of France growing seventy per cent of her sugar beets and producing fifty-five per cent of her coal and eighty per

cent of her pig iron. Everywhere were villages, towns, and sugar factories, supporting a population that crystallized in the great industrial cities of Arras, Lille, and Valenciennes.

AGRICULTURE UNDER WEALTH

Tapestries and metal goods and laces are fruits of population. But the springs in support of population are back in mother earth.

Babylon and Nineveh could not be rebuilt when fertility was lost by the divorce of land and water.

I thought when I started to write this letter I would describe the ruin of Péronne, its great cathedral walls tumbling lower and lower until only the arches remain after four great battles in more than four years of war, its ruined sugar mill looted by the Germans of its machinery before it was finally crumbled under shell fire, the great paved square with the ruins piled in heaps on every side, and not a sheltering roof visible in the entire city.

I could describe Albert, its few remaining roofs and steadily lowering cathedral wall and tower of the leaning Virgin, neither there now. I knew that Arras, with its great cathedral ruin and single arched ribbon of stone against the sky, harboring a line of grasses, weeds, and roofs, would be of interest as well as my estimate that half its buildings were yet in good state of preservation, and that the town was only about twenty per cent destroyed. Here is a vast

city as of the dead where only two inhabitants remained out of the 40,000 once here.

But what are the ruins of these cities, and what can their future be if from the land goes up the wail:

"Even realms by the plague and the earthquake destroyed may revive, but no hope is for thee."

THE DESTRUCTION OF HOMES

FROM the best estimates I can get I believe the Hun has committed a devastation in Belgium and northern France that has never been equaled upon the face of the globe.

My figures show nearly four hundred thousand homes destroyed, seventy-five churches and cathedrals razed to the ground, nearly two billion dollars in personal loot and wanton destruction of personal property, more than a billion dollars in cattle, horses, and farming implements taken, and altogether a destruction that ten billion dollars may not replace in five years.

This is not the full measure of what Germany has taken from the conquered countries and territories. She has enslaved millions and stolen their labor — a loot of labor and its production that has been computed in billions.

Even the allies of the Hun, the Bulgar and the Turk, were treated more or less as subject peoples.

Engineers can figure the destruction in the two coal

districts of Lens which formerly had an annual output of twelve million tons, but are now so destroyed and flooded that five years may be required for their restoration. It is said that not one of their ten thousand homes remains.

When I stood on Vimy Ridge only a few weeks ago and looked down into Lens, occupied one half by the Allies and one half by the Hun, eleven-inch shells were dropping on the Huns from the guns of the Allies and giant shells from the Germans shook the earth four miles behind me.

A SHELL-SHOCKED COUNTRY

In London in December, 1914, it was estimated for me by high authority that the Germans were dropping 110,000 shells daily upon French soil and Joffre had asked that his quota of shells be raised above 80,000 per day. This was four years ago, and shells have never stopped day and night raining upon this country within a comparatively narrow area.

In 1915 the Germans were making 250,000 shells daily and England was making only 15,000. Last year England was daily producing 450,000 shells.

It may therefore be estimated that this year the daily normal rain of shells must have approached nearly one million. Indeed, it is known that in battles within a single sector a million shells have been thrown within a few hours.

It is certain that in this devastated region there

have been exploded and buried many hundred million shells of varying capacity. The exploded shells do little damage to the land. Iron is a very good fertilizer for fruit trees, especially the pear and the peach. Indeed, the peach stain on the napkin of your hostess is due to the iron in the peach.

The unexploded shell, the deadly "dud," is the problem within this devastated area. The labor, the skilled hand, and the metallurgy of the Hun has been steadily declining in this war. This year his workmanship has been so poor that at times only half the shells he fired have exploded. Buried in the earth they are ever-recurring dangers.

You may travel for miles and miles through this area and not find a single foot of land that has not been uprooted by shot and shell. There are deep holes with chalk and clay bottoms and others of unknown depth filled with water. The roughness of the land is not the difficulty. The danger is in the unexploded shell. The loss is in the soil fertility. For when clay and chalk and limestone have been by hundreds of millions of explosions churned upside down the soil and its fertility has been to a considerable extent lost.

When Coleman du Pont was here a few weeks ago, I asked him if the shaking up of this soil might not be a benefit from the standpoint of agriculture and he replied promptly: "Explosives will kill bacteria in orchards and the shaking up of the soil of course is

beneficial in cultivation. But if you put your explosions deep enough and bury your soil or loam under the clay or chalk, you have lost your land."

Now this land is not a Sahara desert. It is largely a waving field of weeds which indicates a measure of fertility remaining. It has been suggested that the land be left to grow up to timber. But in France the forests do not grow in the low country. They are for the most part upon the hilltops, and the reason for this was explained to me by scientists connected with the British army. But it is not important in this discussion. Of course, there are certain kinds of trees that will grow in this soil, but if these devastated plains are to be given over to forestry, one cannot think of rebuilding the villages and cities.

TREES AND STUMPS

In the Somme valley one notes scores of abandoned tanks which have done good service in their day as pioneers in the war.

If these could be reclaimed and given a bomb-proof floor, they might be useful in ploughing the land as a basis for its reclamation.

Fruit trees of which the country was so shamelessly devastated by the Hun might be planted, and their roots left to seek out the buried fertility in land reclamation.

Indeed, it may be that fruit trees will have to succeed the sugar beet in these great plains.

As for the beautiful shade trees that once lined all these French highways and have been the shade and the delight of travelers for generations, it can only be said that their shattered stumps now present the most gruesome picture in all the devastation.

There they remain by great highways the military authorities keep in repair for guns, horses, and troops. Rarely can so much as a limb or branch be found upon one.

They are just shattered stumps from a foot to ten feet high, so slivered and filled with metal that they cannot even be cut for firewood.

In time these must be dynamited and burned if the highway shade is to be restored.

FRENCH TAXES

THE French are the most wonderful economists and also the most skillful tax-gatherers in the world.

This year with the Germans within sixty miles of Paris the French have doubled their taxes, but still they are not comparable with the English or the American war-tax plans.

The war cost for the French aside from the territory devastated will be far less than the British war cost, but France has not been able to increase her Treasury income proportionately because the income of the people has been so cut down. Unfortunately her largest investments were Russian, and while the

Hun took her fairest provinces, his ally, the Bolshevik, set about the destruction of her main outside interests.

FRENCH RESOURCES

THERE are three favorable features in the financial future of France. Before 1940 all her railroads will be returned to the nation without any cost. They will be worth her whole debt as it was before the war, or about six billion dollars.

Secondly, France is being fertilized with English and American money as never before.

Thirdly, she is still the world's great entertainer and it has been suggested that big hotels be built around her battlefields, and that the world may come to view her ruined cities, cathedrals, and villages as well as devastated territory. Indeed, several sections in the devastated area, notably the famous square in Arras, with the still beautiful ruin of the beautiful Hôtel de Ville, built by the Spaniards, have been taken by the French Government with proposal that they be perpetually preserved as a ruin of present and future interest.

A GERMAN PRISON CAMP

MOTORING from the ruins of Péronne to the ruins of Bapaume I noticed a few German prisoners behind a barbed-wire fence. Inquiry revealed that they were part of 1900 captured the night before and just for-

warded from the front. Most of them were in the valley behind the hill. Thither we walked and saw the method of treatment of prisoners on their arrival in a temporary war prisoner camp.

They were lined up in squads and an American serving as a sergeant in the British army, and speaking every German dialect from Tyrolese to Berlinese, gave the orders of command. The front platoon of a double file of soldiers stepped three paces forward and faced about. Then both lines of prisoners, facing each other, emptied their pockets upon the ground. Diaries, post-cards, and letters were gathered in bushel baskets for careful examination.

CAN GERMANY BE REDEEMED?

BUSHELS of photographs have to be burned. They will not pass muster with the English, and any attempt to pass them through the United States mails would subject the offender to fine and imprisonment under the Anthony Comstock laws.

The sergeant said: "I have examined over a hundred thousand German prisoners and every fifth or sixth man carried such photographs."

I have since been informed at English headquarters that the percentage is very much larger. Indeed, it has been said that they are in almost universal use in the German army.

One thus gets an insight into certain features of this war that have made the world shrink with horror

at the thought of any further Hun invasion of a civilized country. That horror has nerved the arm of father, husband, and brother to strike with full strength in civilization's defense.

The Germany in this war is a degenerate Germany, corrupted to the foundations of life, and lured into piratical war from ambitions of loot and lust. Who and what can accomplish her redemption or restoration?

LETTER XX

AIRPLANES AND THEIR FUTURE

London, October, 1918

WHEN in the latter part of 1914 I studied in England and France the underlying causes of this war and its possible benefits for the future and published my reports in newspaper columns and in the little book entitled "The Audacious War," I emphasized the developments, discoveries, and inventions that must follow from a war fought not only on the land but in the air and under the ocean.

The inventions and discoveries arising from the submarine warfare have been kept largely secret, but the inventions and discoveries arising from the warfare in the air have been more or less visible.

Nevertheless, I think my readers will be surprised over the findings I must here record from the data I have gathered from French, American, and English sources concerning the war aeroplane work. They are these:

NATIONAL DEFENSE BY AEROPLANE

FIRST. England is to be as complete in the future in her aeroplane defense as she has been in the past in her naval defense.

Second. In actual warfare a nation must be pre-

pared to replace one half her airplanes every month and twenty-five per cent of her airmen each month. In other words, a modern aeroplane can be relied upon for only sixty days' work at the front and an airman for only double that time.

Third. The cost of training and making an aviator pilot or air defense man is not less than fifty thousand dollars up to the time he first crosses the line of battle.

Fourth. There are less than thirty thousand airplanes in service in all the world.

Fifth. To maintain a squadron of twenty aeroplanes in service requires one thousand men with repair machinery, duplicate engines, planes, and parts. This means that the talked-of one hundred thousand American aeroplanes in the European war would require an army of five million men for this service alone; and if it is meant to maintain one hundred thousand pilots or fighting airmen at the front, the first cost would be ten billion, or more than the United States has thus far put into the war to get nearly two million men and their equipment on this side the Atlantic.

Sixth. There is a great future for aeroplane work in exploration of otherwise inaccessible countries such as the interior of Africa, Asia, South America, and elsewhere. Such exploration is immediately necessary in the utilization of expanded human energies and production developed by the war.

Seventh. There is a great future in aeroplane work

from the development of transportation in peaceful pursuits; valuable mail and valuable express will be hereafter sent through the air in increasing volume.

Eighth. Passenger work will be slower in development but will increase as confidence in machinery and safety in speeding are developed by fast motors on improving and extending highways.

Ninth. Men will eventually see air currents as soaring birds are now able to see them and will be as much at home in the air as are the birds, only men will take higher and longer flights.

It will thus be seen that this audacious war, ploughing the earth with millions of tons of steel and hundreds of millions of shells, has opened its newest field in the heavens above.

BIRD EYES FOR AEROPLANE WORK

The eyes of animals and of men are adapted to the planes in which they move. Fishes cannot see the water in which they swim, but will see in it myriads of things invisible to man and thus gather their food as well as their air from what human beings cannot see. Man literally swims in the air with his feet touching the earth, and does not see the millions of bacterial life climbing over his body or the more millions he breathes in and out every few minutes.

For his eternal progress man must be born without instinct, and deaf, dumb, and blind; deaf to an invisible world of causes all about him; dumb to many

harmonies in nature (the note higher than the crickets and the grind of the worm that gives the woodpecker and the sparrow daily bread) and blind to that which sustains the life of fish and bird.

Watch the turkey buzzard on the Pacific coast hour after hour by telescopic lens. Watch the sea gull behind the San Francisco ferry boat to Oakland riding the air current as it sweeps over the boat and you will be convinced that birds not only feel air but see it. This was the experience and conviction of an aviator who later sat at lunch with air experts in Paris.

A syndicate was formed and the expert optician of the party proceeded to the Channel coast, shot hundreds of gulls, examined their optic lenses, and reported that he was able to make lenses for man that would see air currents. It was agreed that the necessary further experiments should be carried on after the war.

A RICH FIELD FOR RESEARCH

On both sides the ocean I have discussed this matter with experts and my last question was: "Although this subject has been under investigation for more than ten years, how many people know about it?"

This expert aeroplane investigator answered: "Not more than one in ten million, perhaps far less. How many people know that every feather in a bird wing has its distinctive airplane use and can be moved separately? How many people know they can be

taught to write with their toes, move their ears, or see twice as far and ten times as much as they now see?"

Then I reflected that the Texas tick no longer ruins the Texas hide. Mother Nature has of late years thickened the skin of the Texas steer so as to defeat the work of the tick as a riddler of hides and a pest to the northern shoemaker.

It is not many years since the Dutch lens grinder of Delft, curious concerning his own teeth, first saw crawling organisms invisible to the unassisted eye, and named them animalculæ, or little animals. These to-day compare with the bacillus of cancer as an elephant to a flea.

LETTER XXI

AIRPLANES AND QUANTITY PRODUCTION

London, October, 1918

THE Allies early recognized that the greatest assistance the United States could render after her declaration of war was quantity production in aeroplane work.

It was declared to me many months ago at British Headquarters in the States: "We have placed at the disposal of the United States patterns of all the French, English, and German machines, and all that we ask is that you select a type and make it in quantity, for your big factories outrank the world in quantity production."

AMERICA'S AEROPLANE DELAY

THIS looked very just and very simple, but such advice was exactly what delayed the American aeroplane production. When the United Shoe Machinery Company makes exhibit of its great industrial progress, one of the first machines shown is that which deals with the undercurvature of the human foot — a machine that cost two million dollars and many years of experiment to get into operation.

The American engineers took the best aeroplane engine in the world, the hand-made Rolls-Royce, of

which not more than four thousand had been built for aeroplane work, and attempted its quantity production. You will probably not find it in the Senate committee or Hughes investigation reports, but I am informed here by an aeroplane expert from America that six months' work on the Rolls-Royce counted for nothing but delay. When it came to putting the curved parts of that machine into quantity production, it was discovered there was no time in which to invent and build machinery for the production of such parts.

There was no other resource than to take the Packard aeroplane motor which had been under experiment for some years and place all available talent upon the thousands of changes required to adapt it to the requisite simplicity — one thousand parts — for quantity output.

AEROPLANE PRODUCTION

It is on this side of the water one may get in aeroplane circles the best statistics concerning aeroplane costs and possibilities in production by the different nations. Here you learn that five hundred and fifty machines a month will be the maximum capacity of the Wright-Martin Company; that Henry M. Leland, of Detroit, who led off in construction in Liberty motors, may yet reach his goal of one hundred a day, and that there are possibilities, should the war continue, of a maximum production of Liberty motors of

four hundred and fifty a day. At Paris I asked John D. Ryan, head of American aircraft production, his expectations and he promptly replied: "All I am promising is four thousand Liberty motors per month."

One of the experts in this American production told me, however, at about the same time in Paris that with labor troubles in America, production might be as low as thirty-five hundred a month. Without labor troubles the delivery from America in December might be fifty-five hundred. But if the war continued, he declared, the delivery from America would be eight thousand a month next spring.

France is doing twenty-five hundred a month and Italy promises a thousand a month, but is as yet unable to deliver.

MANUFACTURING IN ENGLAND

THE English programme called for two thousand machines a month by December of last year and three thousand a month by March and four thousand per month by July of this year. The March quota was reached in April, and in July the English production was thirty-eight hundred. England is now at a limit with a manufacturing rate of about fifty thousand machines a year.

But England has a new machine that is expected to climb almost straight up in the air, have great speed, and be effective at a height of thirty thousand feet. It can be made in quantity.

Before the war an altitude of six thousand feet was considered high and sixty miles an hour was some speed. An English aviator tells me he has flown in a Rolls-Royce one hundred and eighty-two miles an hour with the wind behind his back at an altitude of only five thousand feet. He says: "The normal speed of a Rolls-Royce machine at this height should not be above one hundred and fifty miles an hour, and a Liberty motor can fly at this height at the rate of one hundred and forty miles an hour."

OUR LIBERTY MOTOR

From both French and English testimony I am convinced that the Liberty motor in its class is not excelled by any motor now in sight. It is the only motor now under quantity production.

It has one fault which may be corrected in time as production is standardized. Some of the motors weighing less than nine hundred pounds will test above four hundred horse-power and others under three hundred horse-power. The output of one American factory has been turned over to the tank branch of the War Department, for which it is too good. But it is not good enough for high-class work.

Experts tell me that Ford is doing most excellent work in the Liberty motor line, but even he cannot tell why one Ford car will easily go fifty miles an hour and another supposed to be the same will not go forty. Manufacturers tell me that a locomotive shop turning

out one hundred locomotives, all on the same model, has to grade them after testing from the high-speed passenger class down to freight, and that one third of them may be relatively slow speed.

GERMANY'S PRODUCTION

GERMANY shows inferior workmanship in machines and poor aviation training in the last six months. But Germany has just put on the front a new machine which the American aviators declare to be the most maneuverable machine yet invented. It outranks everything known in turning, tail-spinning, somersaulting, and winging. Germans were very careful not to risk a capture, but in August the Allies took one in perfect condition and have since been doing great experimental stunts with it. But the highest expert opinion is that, while most maneuverable, it cannot compare in effectiveness with our Liberty.

Germany has never had three thousand flying machines at the front. The Allies have now five thousand there. When the Allies have ten thousand working machines at the front, it will be a most impressive exhibit.

Last month, some miles east of Arras, I studied the line of battle watching the "saucisses," or observation balloons, which so distinctly mark it. Allied aeroplanes were visible north and south, and in the west were flying in V-shaped squadrons as do ducks and geese. But not a German observation balloon or

German aeroplane appeared upon the horizon nor was there any attempted interference with the Allied airmen.

CANADIAN EXPERIENCES

A CANADIAN aviator tells me: "I have been in more than fifty fights and never one on this side of the line. But don't imagine that because we are the aggressors we have it all our own way. Twenty men constitute an aviation squadron and last spring we lost sixteen men out of my squadron in two weeks. Of two hundred Canadian airmen who landed in England a year ago, only fifty remain. Fifty were killed in English camps in school accidents, and one hundred were killed fighting in France.

"Of course, this is expensive business when you figure that it takes nearly a year's training to get a man up to the front. One half of the trained men when they begin to do real flying have to be rejected for lack of nerve, and only one in five of the men who start in training ever gets to the front, and he will have an average of three smashed-up machines during his training. Indeed, the machines smashed training five men and getting one pilot out of them may represent more than thirty thousand dollars. A first-class aviator must be trained to take photographs and do machine-gun work. He must also be something of a mechanic and something of an electrician as well as some bird."

While the United States has eight thousand aviators in training and eighty thousand working men with them, the British have twenty thousand officers in aviation and two hundred thousand men related to this service directly or indirectly.

INCREASING DISTANCES AND POWERS

ONLY the necessities of a great war could make the rapid expansion recently witnessed in aeroplane horse-power and distance flights and elevation. The Handley-Page plane wings a flight from London to Constantinople and return with but a few landings, and it is declared that seven hundred miles continuous flying is now in sight, not experimentally, but commercially.

An aeroplane crew has taken nine passengers in thirty minutes from the interior of France to the interior of England.

I took my luncheon coffee in Paris with an English officer who had that morning breakfasted in London, flown in two hours and ten minutes to British G.H.Q. in France, and then on to the Ritz in Paris for luncheon.

It is now planned to abandon the present Liberty motor of four hundred horse-power as soon as a new one of six hundred horse-power can be designed and put into quantity production. It has been determined that the increased power must come from enlarging the twelve cylinders rather than by in-

creasing the number. This calls for an entirely new design.

The Italians already have their six hundred horsepower machine and the other Allies are planning to follow in this pace.

CLAUDE GRAHAME-WHITE

I RECENTLY asked an Englishman of international reputation for permission to quote him on some publicly helpful ideas. His response was: "You can do a lot of good in England if you know how and don't advertise."

Henry Gordon Selfridge, of Chicago, is permitted to set the pace in retail merchandising in London and in department store advertising, but he is an American.

Claude Grahame-White is thoroughly English, but somewhat American in enterprise. I have been asked why his name no longer appears in aviation when formerly it was so well known on both sides of the Atlantic. My response is: "Aviation is now a government matter and advertising in connection with it is no longer permitted. To many people in England advertising is not good form anyway. England is still held together by 'good form.' The Government today is more in good form than the Church. Indeed, the Church may be divorced or disestablished, but the King is still good form and will remain."

It will please the American friends of Claude Gra-

hame-White to know that he has not only government backing with money and supplies, but has one million pounds of his own money invested in aviation works on his two hundred and forty acre grounds at Hendon, forty-five of which are covered with buildings. The other acres are occupied by the government aviation work and are being improved by some eight hundred German prisoners and two hundred and fifty thousand dollars expenditure.

There are here three thousand employees, five hundred of whom are engaged in building, as the concern does its own construction work in every way and builds its factories so that they can do other work after the war. But Grahame-White believes in a great future for aviation after the war. Immediately following the war with slackened demand, "We can," he says, "make furniture and nobody is now making furniture in England.

"We figure to send out fifty completed machines every week. The Liberty motors can be used in everything, motor cars, tanks, or planes.

"I have trained on these grounds eight hundred airmen since the beginning of the war. The King and Queen came out here to lay the corner stone of the new brick canteen I am building at the entrance to the grounds.

"I am working under government aviation contracts calling for ten million dollars."

A GIANT MACHINE

At Hendon the Grahame-White Aviation Company is not only turning out giant airplanes with power to reach Berlin, but is building hangars to hold even bigger aeroplanes. The biggest plane I saw had three engines in what looked like a twin giant biplane. It was designed to fly one hundred and twenty miles an hour at a height of ten thousand feet, and its cost was not less than a hundred thousand dollars. It had a spread of ninety feet and a crew of eight men including six machine gunners. It has no "dead spots," as it can fire from every angle and will be unaccompanied, as it will be its own fighting plane as well as bomber.

The company is now at work on a machine to do ten hours flying without stop. It will carry four to five thousand pounds of bombs and sixteen hundred gallons of gasolene. The next machine to follow after that will have three six hundred horse-power Rolls-Royce engines.

LETTER XXII

TAXES AND INJUSTICE

London, October, 1918

NEVER was there better exemplification of the economic proverb, "The power to tax is the power to destroy," than to-day in the unjust relation of international taxation. Henry Gordon Selfridge, of Chicago, is paying half a million dollars a year tax to maintain his American citizenship while doing business in London, and if war taxes continue, he may be obliged to quit one country or the other.

Making somewhere between one and three million dollars a year in London, he must pay about half a million dollars income tax to Great Britain. I am told that Selfridge as an income taxpayer ranks among the first half-dozen in London and is ahead of the London Rothschilds. Nevertheless, as an American citizen he must make income tax return to the States and pay another half million to Uncle Sam.

ASTOR'S 110 PER CENT INCOME TAX

UNTIL there is international readjustment in this matter the only satisfaction Selfridge has is to reflect that Lord Astor has given up his American citizenship, but between the two countries must pay a tax of 110 per cent or an annual tax aggregating 10 per cent more than his income.

It is literally true that Astor has to sell property or borrow to live during the period of war taxes. This ought to satisfy even a Russian Bolshevik, but probably would not. In Russia, Lenine and Trotzky would probably demand the confiscation of his property and his execution in order that he might not again accumulate.

The United States Government levies a tax of about sixty per cent upon the income of Lord Astor's real estate in America which, although excessive, is in principle right, for his property is defended by this war against invasion and confiscation.

But the British Government takes no note of the income tax powers of the United States and demands of Lord Astor one half of his rental incomes.

INJUSTICE TO WOMEN

Lord Astor is a citizen as well as a peer in England and can appeal for justice. But there are a hundred women in England who have no prospect of being peers and suffer a greater injustice. They are mostly American citizens and only sojourners in England. Their case is that of the most flagrant international injustice. Their property or their trustee or they themselves as American citizens must pay in America on a scale that reaches up to more than sixty per cent of income and the British Government treats these American ladies dwelling in London as though they were British subjects and confiscates their income without regard to any American tax rights. Not having Astor's

income, their taxes are not quite so heavy. They don't have to borrow to live, but Mrs. John Astor's income has been cut by taxation from $150,000 a year to $40,000 a year and she is unable to keep up her London house. The Duchess of Marlborough has left her house in despair and taken smaller quarters. Lady Randolph Churchill is weeping. Mrs. William B. Leeds is hardest hit. She had two houses in England and has had to pay this confiscatory tax.

WHERE WARSHIPS WOULD SETTLE

NEVERTHELESS Consuelo Vanderbilt, Duchess of Marlborough, has devoted herself to English charities, and Mrs. William B. Leeds is deep in war work for the Allies, as is every society woman now in London.

England would not tolerate such an injustice to her subjects sojourning in other countries.

What an international howl would go up if a hundred women were detained in Asia or Africa until they had divided the rental received from their English estates with a foreign government; or, where the British Government had already taken one half, a mandarin of China or a sheik of Algiers demanded the other half more or less! Would there not be a British warship promptly calling at the port of that foreign country?

ROBBING THE HEN ROOST

THE last time I saw my old friend Lieutenant Oscar T. Crosby at the United States Treasury, he met my tax

suggestions with the declaration that his old friend, the King of Abyssinia, knew just as much about taxation as anybody; there were no settled principles; it was a question of how much you wanted or could get and the best method of getting it.

Lloyd George said in defense of his proposal of inheritance taxes: "The inheritance is the easiest hen roost to rob." I imagine that in this respect Lloyd George, the King of Abyssinia, and the British Government are very much in agreement.

I asked British Treasury officials concerning this matter and the response was that Paul D. Cravath had made some representations there in behalf of the American women in London, and that the matter, when fully presented, must be looked into and measures taken to redress injustices; but as a matter of fact there were so many anomalies in the British tax situation, they hardly knew where to begin.

NOW NO INTERNATIONAL INVESTMENTS

THERE is nothing more important than the redress of individual wrongs. National or universal injustice begins in individual injustice. But from the international standpoint of economic development the double taxation system now in vogue between the United States and Great Britain makes impossible the investment of British capital in the United States. No investment can long stand double war taxes.

The United States has gone far ahead of England

in war taxes. There is no national corporation tax in England nor does England tax speculative profits that are sometimes incidental to an investment.

INVESTMENT PROFITS NOT TAXED

In Great Britain one who makes speculation his business pays a tax on his profits. But if an investor sells property, bonds, or shares at a price above what he paid, he is not obliged to make return of his profits to the tax commissioner. Incidental speculation is not taxed.

It is perfectly well understood in Wall Street that certain stocks must continue to be held in large blocks by certain very rich men, because, although the profits are large, they cannot afford to sell and divide with the Government.

Millionaires who have Steel common, costing twenty-five dollars per share or less, could not afford to sell it at even one hundred and twenty-five dollars because they would have to pay more than fifty dollars per share tax to the Government. This makes a somewhat artificial market, but it likewise insures reasonable dividends in depressed times.

I know a millionaire in the United States who joyfully took fifteen million dollars profit by the sale of securities held over many years. This joy was turned into gloom when seven lawyers were unable to grant him relief and he had to pay more than half that fifteen million in war taxes.

He is not solaced by the fact that he can buy back his shares for less than half what he sold them for. Reckoning the dividend losses, the shares must sell at about one third the price he sold them before he can find a profit in their purchase.

EFFECT OF EXCESSIVE TAXATION

EVERYBODY in England is spending somewhat in fear that the Government may take away what he already has.

As in the United States, expanded taxation makes for extravagance in living, kills savings, and retards business, or capital expansion.

The United States is the only country in the world that does not collect taxes on sugar, tea, coffee, or bank checks.

The income tax in France was formerly 5 per cent. During the war it was doubled and this year it may run as high as 12 per cent. Foreign residents are taxed at the same rate, but their income is estimated at seven times the rent they pay.

Taxation has worked in favor of poor coal in England as in the United States. The coal is now taken from narrow veins and poor coal is shipped while broad veins and good coal are held in reserves to sustain the property when prices and taxes are both lower.

Only eight per cent of the coal of Great Britain is mined by machinery. The output is two hundred and

sixty tons a man per annum, while in the United States, with the use of machinery, the output per man is double this amount. In one of the United States Steel mines near Pittsburgh, four hundred miners produced one thousand tons a day yearly average and this was five tons per man per working day.

ENGLISH SOCIAL UNREST

COAL and shipping are the defenses of England, the foundations of her trade and the discovered great necessities of the war. They also represent the understrata of social unrest. If ever England goes under such waves of revolution as swept France a hundred years ago or as in the past year engulfed Russia, the uprising will come from the coal mines.

In both coal mining and shipbuilding the leaders are out-and-out Bolsheviks. The coal miners demand nationalization. In South Wales the miners want to take over the properties, but they don't want to pay for the mines. They want to steal them. It is recognized that labor is more important in coal mining than capital, and that if labor would work better by ownership or interest in the product, the community might thereby be benefited as well as the miners.

The radical element gets at work and takes a leaf from Russia and from Mexico and says, "Why not secure all this underground wealth as the property of the State as in Mexico?"

SHAKING THE ENGLISHMAN'S CASTLE

THERE is something in the air concerning property and property rights that is not properly sensed or answered in either Europe or the United States. In England a man's house has been his castle and his land proprietorship has been as sacred as his castle or his home. Property rights in mining have been recognized; but should a man to-day discover gold or silver in England, he might find it did not belong to him individually.

Gold or treasure trove found in England is the property of the State, but England is now agog over the question of who may own the mineral oil for which Cowdray is now drilling in the center of England under direction of the Government. The bill first introduced in Parliament failed of passage because Parliament was not prepared to recognize that individual land titles cover mineral oil.

Mexico is trying to settle her status by declaration that uncovered or working oil properties may continue in individual ownership, but that oil discoveries on land hitherto not known to contain oil do not belong with the land title. This may raise revolution against the present Government. The Mexicans will want to know by what right foreign oil ownership is recognized and Mexican oil ownership denied.

LABOR PROBLEMS AND TAXES

SUCH problems run into problems of water rights, water springs, natural forests, natural light, natural air spaces, freedom of the rivers, the highways and the seas.

If the British Government gets valuable oil in quantity property owners in England may curse the discovery. It may be the beginning of a nationalization that will make John Bull open his eyes as to where he stands as between Bolsheviks raining rivers of blood over Russian thrones and the democracy of the United States with no military or territorial or compensatory claims compelling all Europe to reduce its war aims and adopt true non-military democracy.

John Bull does not complain of confiscatory war taxes, but he is beginning to growl over proposed schemes and to point out that labor organizations meet a limit in their demand when they take all the profit there is in the factory. They cannot get more there. But when the demand is made on government railways and national properties, there is no limit at the top. The labor unions can not only own the public utilities including the railroads, but they can confiscate by taxation schemes all other property to sustain their wage demands and with no limit at the top.

LETTER XXIII

NATIONS SMALL AND GREAT

London, October, 1918

SELF-DETERMINATION is Hell. This is the law for the individual and may yet be found to be the law for nations. It has misled Ireland, Belgium, and the Balkan States.

The people of all these countries are not able, or have refused, to defend themselves, but are would-be dictators of what other people should do for them and what they shall do for others.

The so-called "Clerical" Party in Belgium pointed to the agreement of England, Germany, and France to defend Belgium's neutrality and defeated plans for a self-defensive army. Holland, France, and Switzerland were fully armed for the defense of their own frontiers. "The only possible way," declared Germany, "was through Belgium, and therefore the violation of Belgium was justifiable."

BELGIANS NOT ALL GOLD

EVERYBODY admires King Albert and his gallant little army of defense. Albert served for a short time as an American newspaper man and also had tutelage in the Northwest with James J. Hill. It must, however, be confessed that the "self-determination" of

the Belgian people has caused undercurrent of comment on French soil that is not flattering.

I make no rash prediction when I say that Belgium will be told hereafter to be prepared on her own firing line if she wishes to maintain a national sovereignty.

WHO WILL GUARANTEE THE LITTLE NATIONS?

It is a very grave question as to how many little "self-determinations" can be allowed in Europe with safety for the peace of the world.

The question is yet unanswered as to whether human nature has changed and especially whether the Hun nature of man will ever change? In other words, can the world afford to set up unarmed little kingdoms over the earth where the bigger neighboring powers must carry heavy ordnance?

ENGLAND AND GIBRALTAR

England will not give up the naval defense of her islands and the sea-way to her colonies. Englishmen here tell me England would be perfectly willing to lend Gibraltar and all such defenses to an international power keeping the peace of the world. But she would not agree to part title to her defenses for purposes of international experiments. If the international peace programme failed, her defenses must come back to herself.

IS RELIGION FUNDAMENTAL IN NATIONALITY?

A PACIFIST Irishman has declared: "The trouble is that the north of us is Protestant and the south of us Catholic. I wish to Heaven we were all agnostics and then we could dwell together in Christian unity."

I asked an Armenian who had been through several massacres why the Armenians did not settle the matter by becoming Mohammedans. There were certainly millions of good Mohammedans. The Armenian's illuminating response was, "Only bad Armenians become Turks or Mohammedans and they then are bad Mohammedans. Only bad Mohammedans take our religion, and then they are worse. Religion is the foundation of nationality. In the nationality of a people religion is the binding force."

The priests of Ireland and Eastern Canada cannot forget that famous speech of Viviani against "the superstitions of the Church." Deep down in their hearts they have looked for an avenging sword against France. The Irish Nationalists say the priests have acted very badly in Ireland and turned the Sinn Fein movement, to preserve the Irish language in literature, into political rebellion. The Clan-na-Gael put up money for Sinn Feiners who wanted a republic in Ireland, but nobody doubts that the financial support came from Germany.

Had the religious leaders of Ireland been gifted with the wisdom of the leaders of the Nationalist Party, they would have seized the war as an opportunity for Ireland to fight for Belgium and principles defending smaller nationalities. If smaller peoples will fight for nothing but their own self-determination, upon what principles of earthly existence can they expect to stand?

WHEN IRELAND WAS WINNING

YEARS ago the leaders of the Irish Party in Parliament boasted to me that if they could keep the agitators in line they would get from England the greatest assistance and best land laws any people ever had. They got them both. And the Irish peasants now own a majority of Ireland. They have bought out the landlords at low prices at the lowest rate of interest and England lent them $750,000,000 to do it. But the Irish Nationalist Party could not keep their people in line.

Appeals to America for financial assistance to Ireland have the past two years shown disappointing results. A journalist here, writing for thirty-five American papers, found every one of them rejecting his articles on Ireland. The response was: "We have heard of the wrongs of Ireland for many years, and they are well understood. Now let Ireland hear some of the wrongs of Belgium."

IRELAND IS IN THE UNITED STATES

THE Irish question is talked in America, for that is where the real Ireland is. One hears far less of it in London or England.

If the descendants of the conquered and wronged Irish were to be settled with, the compensation would have to come to the United States, for a majority of the descendants are there and not in Ireland.

History does not show that wrongs can be redressed for many generations back.

With the United States in the war there was great opportunity for Ireland to forget for a time the least of her great wrongs and show herself a worthy part of the British Empire and civilization's defense, instead of allowing Scotland, Australia, and Canada to carry off the honors.

STATES' RIGHTS DOCTRINES

THE Constitution of "Great Britain and Ireland" is archaic in respect to local self-government all along the line, and should be reformed. But there is nothing in the modern claims of Ireland beyond "states' rights" doctrines, which also have got to be modified in the future as in our Civil War. Dublin should not have the right to rule Belfast and Belfast should not have the right to rule Dublin. If they could agree within limits as do Quebec and Montreal, little Ireland might have the independence of Canada and

Australia within the British Empire. Her position does not permit her maintenance of an independent army and navy.

VEXING THE UNITED STATES

THE Irish question is likely to be a greater trouble in the United States than in England. From undercurrents I get here, it is likely to prejudice closer relations between America and the British Empire in the promotion of universal peace.

The Irish hatred of Great Britain has permeated the United States to such an extent that it may interfere with proposals which have been made in Europe that American school-books be revised in the interests of Anglo-Saxon unity. It should at least be taught that King George was but a few years out of Germany and had to pay his Hessian troops from his own pocket. Parliament was never whole-heartedly behind him in the American Revolution, and to this day his claim for Parliamentary compensation for his expenses in the war remains unpaid.

WOULD THE UNITED STATES ACCEPT IRELAND?

TWICE I have had the proposal put up to me seriously to annex Ireland to the United States. A dear old lady, sitting beside me at dinner in one of England's famous castles, said:

"I have a splendid scheme to promote harmony between Great Britain and America. Why won't you

advocate a plan by which the United States shall take Ireland? We would just love to have Ireland one of the States of the United States and comfortably fixed next door to us. Why would n't that settle everything?"

In another part of England one of its brightest minds put the case less delicately thus: "You let Ireland rule you in New York and Boston. Why not give us the canal for Ireland? We will sell Ireland cheap or give it away."

DENMARK'S POSITION

SITTING in an old French château buried in the woods, while aeroplanes circled overhead and moving lorries made here their nightly bivouac for safety, I canvassed with others the many uses there might be for the six hundred miles of wire that stretched between the British army headquarters and its coast line only twenty-five miles away; also whether a messenger from London could reach General Haig by rail, motor boat, and auto in less than three and a half hours; also what there was left of Dunkirk when a few weeks previously the Germans had dropped five hundred and sixty bombs thereon in two nights, of which, of course, nothing was heard in the news reports. I also canvassed the Danish situation with those who happened to be in the château from that country.

Denmark had two million people forty years ago, but now has two and three quarters million. It does

not sigh for the return of Holstein, because Holstein has been Germanized, but it would be willing to pay the Allies in the international settlements for the return of Schleswig.

BREAKING GERMANY

GERMANY has made a religion of efficiency and militarism for ends of conquest, and not for ends of human service and national defense — a religion upside down. If America has made of business a religion, it has been a religion of human service. That neither its religion nor its business was upside down is now demonstrated in the war.

The most thoughtful men in Europe believe Germany should be placed in receivership until from the standpoint of religion it stands upon its feet and not upon its head.

It should not be left as a strong military power with its present principles and surrounded with unarmed helpless nations and nationalities, however constructed out of Poland, Austria, Russia, Luxembourg, etc.

Is it possible to make leagues of states either on the North and Baltic Seas or in Southeastern Europe that shall have the potentiality of nations? Can it be done without the binding force of common language, and a common faith, promoting a religion of individual self-sacrifice?

LETTER XXIV

BOHEMIA AND BOLSHEVIKS IN RUSSIA

London, October, 1918

THE problem of division in Germany and Austria links up with the question of division in Russia. And from the solution of these problems must be determined the alignment and defenses and geography of such countries as that of the Poles of the future and the Czecho-Slovaks of the future. Much has been written concerning the latter, but I have not found here clear up-to-date information. It may be in papers and magazines of the United States which are much fuller upon many phases of this war and on features of progress in continental matters. I therefore approach the subject of the Czecho-Slovaks with some hesitation where it is quite impossible to get here determining information from Siberia.

THE FIRST WAR PROBLEM

ALTHOUGH there are more than forty problems in this conflict, the invasion of Belgium raised the first war problem, to wit, the right of small nations to independent existence. And the future of Germany, Austria, and Russia as well as their financial settlements is bound up in this problem. I am unable, therefore, to open the subject of the Czecho-Slovaks better than to take from my notes exactly what I wrote in the lat-

ter part of September after some time spent at one of the British ministries where the information concerning them seemed to be more important and interesting than anything I had seen. How much information of that date has been modified by future developments I do not know, and therefore I am presenting the following from my notes exactly as then written.

THE RISE IN BOHEMIA

"THE most dramatic story of the war comes from Bohemia, the land which has troubled both Austria and Germany for many years. In Bohemia are ten million Czechs over whom Austria has attempted to rule. In the census they are counted as one fifth of the population of Austria-Hungary. But they have been in almost endless rebellion. They have refused to be absorbed either by the German tongue or the Austrian yoke, but have retained their own speech, manners, customs, and religion. Allied with them are four million Slovaks in Northern Hungary, fellow Slavs that together constitute the Czecho-Slovak nation, recognized by the United States as a warring power in alliance with us and entitled to financial support.

"When the United States proclaimed the Czecho-Slovaks a nation, and allied in the war against Prussian militarism, one looked in vain on the map to find this nation, and when its provinces were traced out in Austria-Hungary, the question remained unanswered to the student of geography or ethnography

as to how there could be coöperation between the United States and the Czecho-Slovak nation.

HOLDING THE SIBERIAN RAILROAD

"YET to-day this nation reaches the Pacific, controls the longest railroad in the world, and an area second only to that of the British Empire.

"Throughout the war the Czecho-Slovaks have refused to fight their brother Slavs in Russia, and when conscripted and sent to the front have deserted and fought against Germany and Austria-Hungary. Whenever they have been captured by the Teutons, they have been shot as deserters. Special provision was made for them in Russia and they became the best fighters in the Russian army.

"When Russia broke up, three divisions of them were one hundred miles west of the German front lines. Nevertheless they cut their way through to Moscow and in fifty-seven days twenty-five thousand men fought through to Vladivostock on the Pacific.

"To-day they control not only the whole Siberian Railway, but the whole of Siberia and all the land between the Volga and the Pacific, and the satire of the historians becomes a reality—Bohemia has a seaport.

ADVANCING IN EDUCATION

"WONDERFUL also is the fact that these fighting soldiers were all the while educating themselves in classes studying both French and English.

"The Czecho-Slovak people are rising in education and aims as well as in arms. They have refused to fight with or against any of the contending factions in Russia. They say the Russians are their Slav brothers and they will have no part in their internal quarrels. But against Germany, Austria, and the Turk they are at war and fighting for their own and the world's freedom. The whole Czecho-Slovak nation is a unit behind its fighters and needs only moral and financial support to express itself at the first opportunity.

"The recognized head of this nation has been in New York, Washington, and London, and how he communicates with and directs his people will be a story of the most intense interest whenever it can be told."

JEWS AND NATIONALITY

THE argument for the reëstablishment of Zion is that it may so give the Jews a nationality that in every country of the world they may hold up their heads in new citizenship. It is difficult, however, to see how any race can set up a new ancestry by any fiction of nationality. The memories of Ireland do not help Ireland in America. If Westminster were to be moved to Dublin along with Whitehall and the naval establishment, and an Irish king and an Irish Parliament were to rule the British Empire, it would not be helpful for the Ireland in America.

The American melting-pot has melted or it is no melting-pot.

The Irish, the Jews, the Germans, the English, the Italians, the Greeks, and the Slavs have been amalgamated to form the United States; and a distinct nation and nationality is rising on the North American continent. This war is one of the high furnace heats in that amalgamation.

ONLY ONE FLAG FOR THE UNITED STATES

Its result in America will not be more flags, red or green, but one banner high above all others and speaking for all the languages and races that have been merged into it.

The lie of Germany, that a Teuton could swear allegiance to the flag of the United States and hold it secondary to his German allegiance or blood descent, must be thrown overboard in this war.

Neither Teuton nor Briton, Greek, Slav, nor Jew can hereafter be a citizen of the United States and cling to a prior citizenship politically, historically, or ethnologically. The melting-pot must melt. The red, white, and blue of the "Stars and Stripes" must be one as are the seven rays in the solar spectrum that, melting, yield but one white light in truth.

THE MEANING OF NATIONAL DEVELOPMENT

The business of the hour is not that of setting up kingdoms or nationalities for non-resident people; but the development, through nationality, of people who already constitute nations in association and

community of life, thought, and speech, and also protection in their development and not in their self-determination.

States and divisions have place in nations and nations have place in international relations or world federation. Poland may exist as Poland and be part of Russia or of a world federation and have greater development in humanity, and the freedom yielded by democracy in a united kingdom or nation, than in a Russian Poland, an Austrian Poland, and a German Poland.

DEVELOPMENT MEANS EXPANSION

Lines of development must be expansive and not ingrowing. Expansion means outlet to that highway of nations, the sea, and to lines of land communication. Expansion means adjusted trade and trade routes and highways as between nations and likewise mutual protection, not only physical but financial. Financial protection means fuel, iron, and access to other natural resources and raw materials.

Herein are great problems whose adjustment should not hereafter be attempted by force of arms or temporary peace conferences. Both of these have never yet really adjusted anything except by extermination or utter destruction as was visited upon Carthage, the sea-power of Spain, and upon African slavery.

WORLD PEACE ONLY IN WORLD ORGANIZATION

If the peace of the world is to be kept, there must be a world organization, dealing with such problems as that of the southeastern states of Europe and the smaller nations or states of interior Europe, all claiming right of access to the ocean and inland seas. These problems are bound up with the great, great, great problem of Great Russia.

Shall it be Finland to the north, and the Ukraine to the south, or shall it be one vast Russia, possibly overshadowing in the future both Europe and Asia?

THE RUSSIAN MENACE

Within the memory of this generation Russia has been a menace to China, Japan, India, Persia, Turkey, and to the peace of Southeastern Europe, and has been feared by Austria and Germany.

It might almost be declared that the future of all the people on the globe interlinks with this vast problem of Russia, now for the moment apparently no menace to anybody, but one deep, dark spot of disorder — its flag Bolshevist red and still warmly dripping.

Shall we have, or shall we seek for, one Russia or many Russias in the future? In which direction lies world development? And world development means United States.

THE RUSSIA OF RASPUTIN

RUSSIA crystallized in corruption and immorality, both of which came close to the throne. The Czarina has not been accused, but she was a stronger character than the Czar, ruled over him and was ruled over by the hypnotist Rasputin, dirty peasant of the lowest morals, who had been in jail, who had been publicly flogged, and who to the end boasted his immorality as a religion.

Contrary to the general impression, he never had church orders and was never monk or priest. He was a man with hypnotic powers of the first order and exercised them at the Russian Court. The Czarina would do his bidding exactly as the subject of the hypnotist is moved at will.

He accentuated his powers by pretenses that he held in his hand the destiny of the State, the family, and the health of the Czarovitch, afflicted with the Hesse curse of bleeding sickness, a malady usually receding with time.

The Czar declared, and what I am narrating is from people who knew the Court, the royal family, and Rasputin, "I cannot understand this opposition to Rasputin! He is the only man who helps my soul."

Rasputin influenced government contracts, but does not seem to have gained money or wealth thereby. He preferred power and influence. Only once did

he meddle in political life according to records I have, and that was when war was threatening between Russia and Austria and peace was promised from Austria if the Czar would sign a certain declaration of principles. The Czar refused, declaring his word sufficient, and the intermediary appealed to Rasputin who quickly forced the Czar's signature by the declaration that this would promote peace and Rasputin was against war and would not hold himself responsible for the future of the dynasty unless the Czar affixed his signature. A government of such organization could not stand.

The best information I have been able to gather here is that Russia must stand divided for some time until she can be given sanitation and sanity, but that eventually, notwithstanding her one hundred and forty-five religious sects and her one hundred and thirty-five languages and dialects, she will unite and become a great and influential Russia.

ROMANOFF OR BOLOTOFF

WHAT the form of her government may be, no man can forecast. After three hundred years of rule the House of the Romanoffs has gone, probably never to return. The House of the Bolotoffs which preceded that of the Romanoffs ruled for seven hundred years, after liberating the country from a Tartar dominion of three hundred years. The House of Bolotoff may be invited again to rule. Serge Bolotoff, who is the

head of the House, is now in England, as are also a younger brother and his mother.

But the new rule, whether of Romanoffs or Bolotoffs, must be under a constitution approaching modern democracy. But how to get in Russia a democracy, which to endure must be founded upon intelligence and morality, is a problem.

There is good authority for the belief that there are not fifty thousand Bolsheviks in all Russia. But bribery has been so rife that it has been an easy matter for Germany to use nobles, generals, and popular leaders so as to mislead and misdirect the simple folk. German influence at the Court was directed solely to the corruption and disintegration of Russia.

It is difficult to make the Russian peasants harbor any hatred either against Germans or Bolsheviks. They have no ill-feeling towards any one on earth and have no desire to themselves possess the goods of others. Everything can be taken from the Russian peasant with handsome words.

Bribery and promises have for the time ruined Russia. The Russian peasant is a generously minded philosopher, and Lenine and Trotzky have well understood how to mislead him with promises of a new Russia in which nobody should be very rich or very poor.

WORLD BENEFITS FROM RUSSIAN FAILURE

One of the clearest economic thinkers in England says to me:

"Russia, now a menace of disorder, can be, like the United States, a safeguard of democracy under an open-door policy by which nations may obtain their needs in raw materials. And the raw materials problem is the fundamental thing in a peace settlement.

"A victorious Russia would have demanded Constantinople, European Turkey, the Straits, and a large section of Austria, exclusive suzerainty over a united Poland, and rule over Turkey in Asia to the northern part of Persia. This is according to the secret treaties published in Russia.

"All European nations have been immersed in some militarism. France has demanded some of Turkey in Asia. Great Britain has demanded Mesopotamia and part of Persia as an offset to Russia at Constantinople.

"With Russia out of the war, all the secret treaties go by the board.

RUSSIA MIGHT AGAIN HELP THE UNITED STATES

"But the result of the war must mean a family of nations, mutually defensive. The United States is the one country that can 'erect the standard of right,' and if Russia is cleaned of Bolshevikism, she can stand with and assist the United States because neither America nor Russia has now any demand for territory or economic or financial advantage."

LETTER XXV

MASTER WORKMEN IN LONDON

Seest thou a man diligent in his business? he shall stand before Kings.
— Proverbs

London, October, 1918

IT is said that three men in London really work. Two of these are Sir Edward H. Holden and H. Gordon Selfridge. Both take their inspiration from America.

Sir Edward Holden last month by another consolidation rounded out the London Joint City & Midland Bank with a deposit mark of $1,500,000,000. He is one of the few bankers I have met who understands that deposits are made by loans. When the banks of New York learn it, and not before, the United States will take the place to which it is entitled in the financial markets of the world under the Federal Reserve Act.

THE LESSON FROM AMERICA

I ASKED Sir Edward the basis of his success. He replied:

"As you have met me on both sides of the water, you of course know I have been often in America. You have panics in the United States. Then you investigate them and publish reports which are very illuminating to those who will read. I have read your

reports and studied your panics, and it was from my study of your experiences that I knew what to do when the war panic struck us so unexpectedly in 1914.

"We took advantage of a bank holiday to look over the situation. Then I said to my directors: 'Will you run the bank, or shall I?'

"They said that I should run it.

"I said: 'Then you clear out and don't show your faces around this institution. If you want to know anything, come to the hotel in the evening and ask me.'

STOPPING THE WAR PANIC

"Of course the first thing in a panic is to meet every demand promptly; and it is quite as important to meet the demand of your borrowing customer as to meet the demand of your credit depositor.

"Well, in came —— & Co. with fear and hesitation. I said promptly: 'I suppose you did n't come to deposit money, but to borrow.' The response was: 'We don't know what to ask, but really we ought to have fifty thousand pounds to meet our obligations.' I said: 'Is that all you need?' 'If we could have twenty-five thousand more, it would be very serviceable.'

"I said: 'Don't you want a hundred?'

"You should have seen the smile. But to make a long story short, instead of fifty thousand pounds, we passed to the credit of that house that day two hundred and fifty thousand pounds and expanded their

deposit account as well as our loan account by that two hundred and fifty thousand pounds.

"Now you can bet that was not paid out in a day. That house has never had less than fifty thousand pounds to its credit at this bank since that date, irrespective of whether it owed us anything or not. The house was perfectly good for half a million pounds.

"That is the way to deal with panics, and that is the way to build up business. Let your responsible people have all the money you would ordinarily.

THE WELCOME FOR UNITED STATES TROOPS

"We are not troubled about loans and deposits at the present time. The only thing that disturbs us now is that your stalwart youths come through England to line up on the battle front and we are forbidden to cheer, give them any welcome, or any God-speed.

"The military authorities tell us that we only endanger their lives by public celebrations which may reveal their numbers, location, and destination. We are promised the opportunity to rejoice with them when they return, but unfortunately many of them will never come back. Those that do will get one of the most royal welcomes ever given to any troops that ever trod the soil of England."

A MERCHANT OF LONDON

Henry Gordon Selfridge apparently values his American citizenship above any European title. He is

to-day proud of that citizenship and of the fact that he is now the leading retail merchant of London.

I never pass in America a certain marble building of value in the field of education, science, and public service that I do not stop to again read in the tablet these words: In memory of Junius Spencer Morgan, a merchant of London. It is doubtful if any Englishman could have made in London a Selfridge success. Tradition is against the retail merchant. The Germans thought they discovered something in the psychology of the English when they studied what a lot of business the Englishmen did behind a wall or board fence with the smallest possible advertising, sign, or display. The Hun said: "Here is a nation of shopkeepers, hiding their business in back yards, and there they'll stay when the glitter and majesty and might of our imperial arms strike terror throughout the world."

The Huns knew their mistake the first year of the war. But they never knew how to get out of it, although for three years they have been studying how to win with tears and poverty at the inevitable peace table.

ASTONISHMENT IN BERLIN

SELFRIDGE in Berlin early in 1915 got the true key to the Hun war. He went from London with no more concern than of going from Chicago to Montreal. In Holland he had his American transport viséd for

Berlin, and passing down the Unter den Linden he just as unconcernedly registered at the Hotel Adlon. The clerk, of course, promptly notified the management, the management the police, the police Wilhelmstrasse. What could it mean? Was there a messenger of peace from Great Britain in the guise of an American merchant? Each officer in turn rang up his superior until one competent to talk the aims of the empire arrived at the hotel and passed upstairs.

Mr. Selfridge spoke as an independent, free-born American citizen. He wanted to know what this war was about and particularly how it was to be expected that he should ever again sell German goods. If there was no regard to be paid to German word of honor or signed agreement, what was to be the future of articles bearing the stamp "Made in Germany"?

WHAT THE HUNS DEMANDED

THE lights of the hotel burned brilliantly until midnight. Nobody below dared move. The conference upstairs might be of the highest importance.

It was just as important as a revelation of Germany as any diplomatic announcement for many months succeeding or preceding. It was just plain Mr. Selfridge, American business merchant of London, talking it right into the ear of statecraft as only an American business man could. The response was: "You can go back and tell your English friends that they can

have peace any minute they want it. Only this they must understand, and that is that we must get something out of it."

The personage departed and the hotel turned out its blaze of lights. Selfridge slept comfortably, next day looked about the town, saw no evidences of hunger or hardship, took his grip and American passport, and proceeded unconcernedly back to his London store.

WHERE FOOLS RUSH IN

WHEN his trip was known, Ambassador Page was struck with horror. He said: "Did n't you know when you walked into Germany straight from your London office that there was no outside power that could protect you? You, of course, had business relations and probably owed money in Germany. Any creditor could have put you in jail. The United States and all Europe outside Germany could not have taken you out."

Selfridge responded: "If fools did n't rush in where angels fear to tread, I might never have started business in London."

Selfridge gets directly to the heart of any matter that touches his business. He quickly found the keynote of the war. Germany went to war to get something out of it. She did not go to war for security or national defense. But Selfridge was not intermeddling with international relations. He was just looking after

his business in Berlin. He always speaks as an American citizen. He never says, "We think," upon any European question, but rather, "Of course, as an American business man, I cannot say."

When the Kaiser in Baden sent to the hotel for Nelson Morris, the little five-foot Chicago packer of German ancestry replied: "If the Kaiser wants to see me, he should call." The Kaiser was furious, but finally said: "Well, all Americans are kings, and I shall have to do as Morris says," — and he did.

IMPRESSING LONDON

No American has affected London more in recent years than Selfridge. England is a business nation and Selfridge has dignified business as well as American independence. The English hate a snob and love a man to be genuinely what he is. Selfridge does not seek the company of dukes and lords, and when they seek him they meet him on his ground. If called upon for an after-dinner speech, he will not talk the glories of the empire, but the dignities and usefulness and educational breadth of business and service to the people; that there is history, science, and a liberal education for him who would seek it under every article that goes into the home. English castles and estates may be his for the season's hire, but they are for his own living and for his family and friends.

He cleared more than a million dollars last year in his business after every charge off, income tax, and

nearly one hundred thousand dollars for his men at the front, the Red Cross, etc. He is spreading out across the street and down the block and when, after the war, he builds his new store, it will be eight hundred feet long and two hundred feet wide.

His architecture has already modified that of the newer structures in London in beauty of stone front, window space, and light and air.

FOR LESSONS STUDY PARTICULARS

If you want to know the management of a business after you have generalized, investigate some particulars and find the attention that is rested thereupon.

You go about London government offices, and the patterns of femininity that toss you about in elevators, and conduct you from room to room where formerly stately couriers moved, keep the war demand for men continuously before you. But step into Selfridge's and there is an air of such peace, cleanliness, and harmony that you wonder if the store is really run for profit. You will find the elevator girls in modest artistic uniforms, and apparently only one object in life — the smoothest and the best service in that elevator with quiet enunciation as to the goods on every floor as you pass, not obtrusive in advertising, but to remind you that this floor is "leather goods" and that floor is "linens."

If you get up to the office where you may really inquire, you may learn that those little English girls

are selected for the musical quality of their voices before they are trained to give you perfect business answers to all your inquiries.

You will then understand the business genius that this year sends Selfridge's ahead of Harrod's, and will shortly be so far ahead in the retail business of London if not of England as to be out of the competitive class.

THE LARGEST FINANCIAL SUCCESS

MARSHALL FIELD & Co. of Chicago do a retail business of fifty million dollars a year. Selfridge's is nearly halfway there and gaining fast. But Selfridge has only $8,000,000 capital, divided into his own £500,000 common stock, and others' holding of £750,000 in preferences, and £350,000 in debentures. There have been many stories of Selfridge's hard luck at first, but they are not proved by the books which show he made £30,000 the first year. To-day his percentage of profit on his overturn of business is larger than that of any similar store in the world.

If any American wishes to duplicate the Selfridge success in a foreign country, he must have not only the genius of American enterprise with attention to detail — Selfridge works more than ten hours a day — but must understand the keynote that carried Selfridge through dangers before he realized them. I asked: "How did you do it?" and he replied: "I did not endeavor to instruct the English people. I studied to serve them."

LETTER XXVI

WHAT OF ENGLAND?

London, October, 1918

THIS war has given such a status to the aeroplane and the submarine that both must be reckoned with in national defense hereafter. Many far-reaching consequences follow, not the least of which is that such elements of warfare operate against "self-determination of small nations."

A unity of nations to keep the peace of the world may be able to cope with the submarine; but every nation must hereafter consider the dangers of warfare from the air. Against such warfare no international unity can provide. The building of submarines by any nation might be detected and arrested by international powers, but who shall arrest the commercial development of the aeroplane? The aeroplane that carries increasing numbers of passengers and pounds of freight will need only a cargo of explosives for initial warfare, and full effectiveness therein.

PEACE PROGRESS IN THE AIR

THE marvelous feature of aeroplane development is that nearly the speed limit has been attained in these few years of warfare. Before the war aeroplanes flew sixty to eighty miles an hour at an altitude of six

thousand feet. The French in this war first crossed the hundred mile per hour line. The Germans remodeled and improved the French machine and sent it up to one hundred and twenty.

Then the French recaptured their own improved machine and sent it up to one hundred and forty. Above twenty thousand feet is now no uncommon altitude for flying. At lower altitudes, with the wind, above one hundred and seventy miles per hour has been recorded.

Birds fly one hundred and eighty miles per hour and pass from Australia to England in four days.

Substantial safety and stability has been attained in the air. Now only endurance, economy in wear, and added weight-carrying capacity are needed, and here the peace pace can be rapid.

SMALL FIELD IN PEACE FOR THE SUBMARINE

THE submarine development will go forward to a very limited extent outside of war's demands. Peace will permit under-water lighting, portholes for observation, and for exploratory purposes openings under water by the use of compressed air. But in exploratory work, the submarine can only investigate coast lines or shoals, and here not below two hundred feet. There is no call for commercial development. The unanswered problems of the sea are where the salmon goes when it leaves the river and how to protect and increase the lobster crop. The United States Govern-

ment feeds millions of little lobsters into the ocean, and most of them feed the fishes. Submarine explorations might assist in finding places or means for the protection of the little lobsters until they are able to protect themselves.

But one thing seems clear, and that is that aeroplane development adds a third and a most expensive department to a nation's national defense, and that third no less important than the army or the navy.

SPORT AND FAIR PLAY ENGLAND'S BASE

As I have before noted, England is already building her hangars and preparing her aviation fields to make her defense by the air as perfect as her naval defense. National expenses in this field must be reckoned with by all the leading countries. But money alone cannot do it.

Great Britain supremely rides the wave because her seacoast line, harbors, fisheries, and commerce reared a nation of sea dogs on an island home; and they sail and fish and fight as good sports.

A thousand declarations by a hundred Kaisers could not make the future of Germany to be upon the sea. She has neither the coast line nor the "loyal jolly rovers." But above all she has no "sport" and no "fair play." She has them neither in act nor idea nor language. You can't have sport without fair play.

WHERE GERMANY AGAIN FAILED

GERMANY failed to make a sea-loving race, and the Kiel Canal will be found in the end a small basis for a maritime power.

When I was in Germany in 1913, Prince Henry was endeavoring to encourage motoring that there might be more than a hundred thousand motors registered in the empire instead of ninety-seven thousand. But he failed, and Germany has failed in both her motor and aeroplane equipment, just as she failed in her sea-power; and the failure was largely in the men and their blood, which failed to have the right kind of bright red corpuscles developed by fresh air and the love of sport and fair play.

WHERE ENGLAND WINS

IN the contests of the future it will not be the aeroplane, nor the hangars, nor the landing fields. It will be the men of the air.

Contrast Germany's naval and submarine crews in mutiny, while England was building up her navy during the war from 4,000,000 to nearly 7,000,000 tons, and from 145,000 men to 420,000 men. Yet, when I was in England during the first six months of the war, I found the number of dead in the navy greater than in the army, because, of course, England's early fighting was on the sea to a greater extent than on the land. But recent figures show that 12,000 seamen of

the mercantile marine, as well as 15,000 non-combatants, have gone down on English ships, and never has an instance been recorded where officers or men failed to take out another ship after their own had been sunk. I have yet to hear the first murmur in England about sea dangers.

MEN ABOVE MACHINES

BUT one of the first questions I did hear in England was, "Will the German navy ever come out, or can't it come out?" England seemed to know pretty well in July the demoralized condition of the German navy. You can't maintain the morale of a navy by years in harbor or canal.

The lesson of this war is the lesson of man power over machine power. Germany had the war machine at the start. Let us see what England had of man power.

Her forty-four million population had eighteen million workers, and she registered everybody in the kingdom from sixteen to sixty-five years of age for national service. She put four million workers into munitions, and six and a quarter million men into the war. Australia and Canada gave another million, and India more than a million, so that altogether eight and one half million men were enrolled for the army and the navy.

ENGLAND'S SACRIFICE

DID any part of the empire outdo England in enlistments or services? If so, it cannot be found in the fig-

ures, when England and Wales, with 62 per cent of the population (excluding India), raised 70 per cent of the empire forces. Scotland with 8 per cent of the population contributed $9\frac{7}{10}$ per cent, while poor Ireland, with 7 per cent of the total population, was so misled that she contributed only $4\frac{1}{2}$ per cent. The Dominions, with 23 per cent of the population, contributed 16 per cent of the forces, and took 14 per cent of the casualties. But Great Britain and Ireland, with 77 per cent of the population, contributed 84 per cent of the total forces raised, and took 86 per cent of the casualties. The total number killed is above 900,000, not including the losses in the more than 1,000,000 volunteers from India.

Smaller official figures of less than 700,000 may be quoted, but these do not include the naval and mercantile marine casualties nor the more than 100,000 missing after action. When the final round-up is in for 1918 I expect to see the British human sacrifice above one million killed, and more than a million crippled, and more than a million invalided or wounded.

GERMAN LOOT VS. ENGLISH FAIR PLAY

THE Germans have marched to battle and great human sacrifice for conquest of their neighbors' lands and goods, and to enslave the men they were pledged to defend; and they have returned to the home land thousands of trainloads of loot from more than seven countries. The French bathed in blood in glorious

defense of their own soil. But England fought not only on the seven seas, but with seven armies in more than seven foreign lands for the benefit of those lands and many more, with never a shipload of loot returned to the home land.

Truly England was a sport and fairly fought for world fair play.

She would have preferred the British Isles sunk in ocean depths than to have considered for one moment the deeper damning proposal from Germany to join with her in conquest and world division.

RIDING THE WAVES

It was because England had "a life on the ocean wave" that she has been able to give to the French service now for more than four years two million tons dead weight of British shipping, or double the total American-owned tonnage of 1914, has had her ships transport sixty per cent of the troops from the United States, and has been able to contribute ninety-five per cent of the vessels that have hunted the submarine from the Mediterranean to the North Sea, and has sent to the bottom more than one hundred of them since 1916.

RIDING THE AIR

And it was because she had a life in the field of sport that she was able to maintain the supremacy of the Allies in the air, notwithstanding Germany's concen-

trated situation. She built three armies of airmen, the naval force, the army force, and an independent air force. This independent force alone has averaged more than two air raids per night the past summer upon German territory, dropping nightly more than two tons of bombs.

The daily average of the three English air forces has been the destruction of nearly nine German machines.

In all theaters of activity, the daily average since July, 1917, has been more than ten enemy aeroplanes destroyed, with an average daily loss of three English machines. This record has been made, not because of any existing war machinery, for in 1914 there were less than a hundred government airmen, but because before 1914 England had many private aviators and groups of flying men in the field of sport.

The winning of a war is in the characteristics of the people. No money or machinery, nor organization or numbers, will do it.

A LION'S PROBLEM

BUT no nation ever again can be called upon to face such a gigantic problem.

Germany threw the bulk of her fighting forces against the English lines. The thought of France was secondary when England really got into the war. It was London that was to be destroyed; it was England that was to be starved; the whole German navy and submarine and air warfare was against England.

English prisoners were singled out for especial hatred from all classes in Germany.

But England never whined nor whimpered nor wasted any energy in hate of anybody. Before she could raise men, she tore up her own railroads to hurl the tracks into France, where she built two thousand miles of track and furnished them with a thousand locomotives. She expanded her three arsenals to one hundred and fifty, and put five thousand factories under government control.

VOLUNTEER MEN AND WOMEN

THE majority of England's soldiers were volunteers, and I have heard of no conscription for the women. But where England formerly had two hundred and fifty thousand women workers, mostly in textiles, she numbered this year five million, of whom more than a million were in munitions, half a million in engineering and chemical works, three hundred thousand on farms, etc.

When they threatened England with starvation and potatoes sold shillings per pound, she tore up her front yards and flower gardens and parks, made a million, four hundred thousand "allotments," and increased the potato crop fifty per cent, and quietly noted that that was just a saving in ocean tonnage. She has seen ocean shipping on which her life depends sunk by the enemy at the rate of half a million tons a month. But in August of this year, she could see the

world building a hundred thousand tons above ship sinkings and she could boast a ship put together from stem to stern by only her women workers.

England saw food prices double, but she did not hesitate to multiply her tax bill threefold, or from one billion dollars to three and a quarter billion dollars per annum.

FOOTING THE BILL

WHEN last March she started her new fiscal year and footed the war bill to date at seven thousand million pounds, or thirty-five billion dollars, she smiled as the slate showed twenty-five per cent of the war bill met by direct taxation, and twenty-one per cent of the expenditures representing loans to her allies and the Dominions. Truly, it is the true sport that fights and pays.

Outside they speak of the growl of the English lion and the grumble of the English man. No nation ever had such cause for both growling and grumbling, but this fact I have discovered in two visits to England — the more she fights and the more she pays the less she growls, and the less the English man grumbles.

NO TIME TO SPARE

ENGLAND has no time either to grumble or be gay; no time for art or literature. Only the clerkies and the khakis attend the theaters. There are no great plays, no stirring war dramas, no sublime poetry. In France

they say, "Preserve the ruin, a landmark of war, our sacrifice, and victory for future generations." England puts up a board fence and soon forgets where the bomb fell.

I asked Sir Andrew McPhail to show me some results from the famous London air raids. He promised he would. We used up our meat cards for grouse at the restaurant and then crossed Lincoln's Inn Fields and entered the gardens with their Gothic architecture and Cromwell memories. "Here," said he. "Where?" said I. "It fell there just where the brass plate in the flagstone of the walk marks the spot," and I noted it and the pitted brick in the walls around. "Near enough, was n't it?" and I thought it was as we stepped into his city home just beyond and looked down toward the never-ceasing human movement of the Strand.

They will tell you a bomb toppled a block of buildings some miles away, but that they should have been condemned by the building inspector; and that the heavy loss of life was from women and children who were gathered in an air-raid shelter. A bomb struck an upper story, dropping a press to the basement, breaking a water main, which so quickly flooded the shelter that more than a hundred people were drowned. The German hit seems to have been wholly accidental, even if aimed at the women and children. In Paris the greatest destruction of life was at a church where a "Big Bertha" accidentally hit the

key beam, collapsing the roof, that famous Church day when the request of the Pope that the Rhine cities be not bombed was observed by the Allies, while the Germans thus celebrated.

THE ART IS STILL IN FRANCE

You cannot down art or literature in France. Though you bathe her in blood, she only goes the deeper in poetry and song. All the world knows how the German dreads a bayonet. The French have christened theirs "Rosalie" (nobody knows why) and have accepted its apotheosis in a famous little poem called "Rosalie," which as a war song of glory is now said to rank second only to the "Marseillaise." You can't translate it, but I can glint it for you something like this:

For vengeance athirst are we,
A toast to France, my Rosalie!
Pour full!
And then of Glory full and free,
Drink deep!

Nous avons soif de vengeance;
Rosalie, verse à la France,
Verse à boire!
De la Gloire à pleins bidons
Buvons donc!

(*Botrel.*)

ENGLAND'S FUTURE

What of the future of this English nation of work, sport, and fight? They said in America that the war

had spiritualized England, that the churches were thronged as never before.

I took a taxicab with Dr. Hillis, successor of Henry Ward Beecher in Plymouth pulpit, and we started in quest of the spirit of England one drizzly Sunday morning. Westminster and St. Margaret's were filled with worshipers, and after persuading the taxicab man that our business was legitimate, we visited eight other churches during the day, only to find that here as elsewhere congregations are according to preachers. Dr. Jowett, Cardinal Vaughan, Rattenbury, and Myers are now the four great London preachers, and their churches always have full congregations when they preach.

In the late afternoon in the little Swedenborgian church, now stranded far from the fashionable center, we got the real truth. We found a good atmosphere, small congregation, and good sermon, and then asked the preacher as to the effect of war on the future of his church, and the spirit of his people. He said, "Fifty-five men of this little congregation are at the front. They will make the spirit of this church when they return."

And there we had the truth. Not until the men of England return to their families, their churches, and their trades, will you learn whether there is or is not a new spirit or a new spirituality in England.

The spirit that has been manifested during this war is good enough for the war.

LETTER XXVII

RULERS OF ENGLAND

London, October, 1918

THE "League of Nations" is on every lip in the city where once they talked of "a league of kings." Consolidation of resources of the empire and closer union of the English-speaking peoples are topics of the day. And in these the kings seem to have no place. Here the people are speaking of unions of peoples and leagues of peoples. Nobody any longer talks of the King of England or the Church of England as a power.

From Italy up through Switzerland, France, and England and over to Washington goes the appeal that the Church of Rome shall have a representative at the peace table when the representatives of the peoples of the earth shall inevitably meet to remake the map of Europe and deliver judgments.

When it is asked why the Pope or any church should be at the peace table, no answer comes back. When some labor leader clamors for international representation in government settlements, there is likewise no definite response to the word "Why." Are we not all workers? But we still are, as of old, "nations and peoples," and in the future these shall take on many new meanings.

THE SYMBOL STANDS

BUT in England the King stands and is likely to stand for many years, if not generations, as the head of the State. He stands because he is not the ruler and does not attempt to rule. He knows his place as the symbol of law, and under that symbol England and the Empire have a democracy more responsive to the popular will than any democracy on earth. This democracy is considering how long a time must elapse before it takes up the problem of church disestablishment; not that the Church may be abolished, but that it may be strengthened by divorce from the Government and by connection and direct responsibility with the people.

The idea of prime ministers naming archbishops in the formalism of a church with which they have no sympathy! Meanwhile the archbishops publish a long report, declaring that the Church is losing in influence, because the appointed and state-supported clergy has neither the intelligence nor the spirituality to hold the people. England nods its assent to this report of the archbishops and puts it on the shelf for future action.

ENGLISH ART

BUT England will not abolish its King, or Court, or House of Lords. These constitute the only crystallization of art that exists in the empire. When the French

burn up the Louvre, abolish the Luxembourg, take more interest in the Eiffel Tower and the Pont d'Alexandre than in the annual "Salon," then you may expect the English to abolish Buckingham Palace, and the Court and ceremonials of the royalty, and fix their attention wholly upon the muddy waters of the Thames and the commerce with which it connects.

There is the National Gallery, and the National Portrait Gallery, and the Tait Gallery, but the heart of the English for color and art expression is not there. It is in the royalty that represents and now and then bodies forth in pageantry of splendor the might and majesty of the empire.

The Englishman loves his country life and knows it so well that the landscape painter is with him a receding factor.

The center of England — the Midlands — has grown rich in the war time, but when it now moves through New Bond Street with its five-pound notes, looking for art furniture, the dealers quickly understand that the open-air life and the motor car modify England's art. Leader is now painting small landscapes to meet the modern demand. No longer are baronial halls calling for large pictures. But small ones with the same names are passing to a new generation of wealth. Every war destroys the rich and makes a new class of rich men.

LLOYD GEORGE AND LORD NORTHCLIFFE

THE royal picture — the pageantry — may be diminished in England, but still the picture, the art, the glitter, and its symbolic expression must remain. Everybody in England understands better than do the people of the United States that the real power is out of it. King George and Queen Mary do not rule. They serve, and in service the shield of England stands higher than ever.

The power has departed from the palace to the people, and two men stand in England to-day for that power of the people. One is Lloyd George, and the other Lord Northcliffe. But the "L" of the first is stronger than that of the second, who is always spoken of as Northcliffe.

Lloyd George is before the whole world to-day the great preacher of righteousness and of faith in good works. Northcliffe is the warrior. Together they are in England the real Church and State. Separated and at war politically, both may go down in the battle, and new forces arise.

FROM LIMEHOUSE TO THE LIME LIGHT

WHEN somebody asked Lloyd George what he would do if he lost Northcliffe's support, his response was, "I can always go down to Limehouse," that famous quarter of London where the "sand-lot" operator begins his career, and where Lloyd George began his

with appeals to the people and against the aristocracy.

Lloyd George from the ground has risen to heights of spiritual leadership that have caused the statesmen of Germany and Austria to cry out: "Oh, for a voice that, like Lloyd George, can express the aspirations of the nation and summon the people to action!"

The most dramatic spectacle in England, if not in the world, the most soul-inspiring feature of English political life, the strongest electric call touching the minds and hearts of all the people, is when Lloyd George mounts the platform, whether with the shipworkers, the coal-heavers, or financiers of the City, and summons them to arms.

"If you can't fight, heave coal at them," says Lloyd George to the coal miners, and next day his address rings through England, and strengthens every nerve and muscle.

LLOYD GEORGE IN FULL SWING

I QUESTIONED William Endicott, of the American banking house of Kidder, Peabody & Co., who has been doing yeoman service here for sixteen months as the representative of the American Red Cross, and he promptly replied: "Lloyd George is the greatest man in England if not in the world. When he was sick with a cold the other day, shivers ran down my back, and I did n't come to England as a Lloyd George man."

That is exactly the sentiment of everybody here and has been since Lloyd George took the helm of state. He has been the natural ruler of England and all have been glad to serve in the war under his leadership, although few believed in him when he first assailed the constitution and government.

They will tell you here that Bonar Law, from Halifax, and Lord Beaverbrook, also from Halifax and the Toronto Stock Exchange, planned with Northcliffe to put Lloyd George in power, and that now Bonar Law and Northcliffe are personally disappointed that their wishes and suggestions are not more closely followed. But nobody will tell you that they dare openly oppose him.

Lloyd George is described as standing on the platform of two parties and a half; the Liberals, the Conservatives, and his own. The Liberals want him to be their leader, and throw over the Conservatives and Tories. The ruling classes in England will make any concession if he will only lead them. But Lloyd George himself has aspirations for freedom from dictation. In the forthcoming elections nobody can tell what the line-up will be or what the determining issues.

CREATING A NEW PARTY

Woodrow Wilson will tell you privately — and I hope I am not committing *lèse majesté* to quote him — that no great leadership can long stand without a great political party behind it.

Lloyd George is seeking where he stands in English political life and may yet formulate his principles and mould a party beneath him. Mr. Wilson is working to keep the Democratic Party in power in the United States for the next two generations.

Lloyd George needs no press behind him, for when he speaks it rings through every newspaper column in England. Nevertheless he lives in summer time with Sir George Riddell, the newspaper publisher, who owns the "Daily Express," and whose Sunday "News of the World" has a circulation of two million.

Lloyd George has ambitions for the uplift of England, the increase of its democracy and its efficiency by the improvement of the understrata of English work life, which are likely to be heard from in the future. The war is only a foundation upon which Lloyd George will build up a British Empire, never forgetting that his feet rest at Limehouse, and that the uplift, as well as the source of power, must begin there at the base.

SCRAPPING THE BRITISH CONSTITUTION

THE British Parliament has been in power since 1910. Its work has been largely that of scrapping the British Constitution.

1. It abolished the absolute veto of the House of Lords. This was a mandate from the general election and was the only mandate it had.

2. It made payment to its members of four hundred

pounds a year. There had been no payment to any member of the House of Commons before 1917.

3. It made a law that a general election be held every five years instead of seven.

4. It changed the law under pressure to six years and then to seven years, and this Parliament should expire in November. This necessitates a general election towards the end of this year.

5. Outside of the war defense acts, the great act of this Parliament was a new franchise bill which swept away the last vestiges of property qualifications and gave votes to women. The issue had never been before the country in any shape. This bill doubled the number of voters from eight to sixteen million, six million of whom will be women.

LOYALTY AND JUSTICE

NORTHCLIFFE is not the ambitious scheming type of man one would naturally associate with the builder of from fifty to one hundred publications. To me personally his predominating characteristics appear as loyalty and a strong sense of justice. He is dictatorial because energetic, and he has done enough things in the world to have manifested bad judgment in some. When I asked him in the United States concerning a personal matter, he replied: "Don't take that as finality, because I am not really in a position to know, and I would not wish to do the man an injustice."

When at the same time I asked him concerning his

own business, he said: "Advertising is too good; we must think more of winning the war and less about business."

When I asked him concerning a certain course as affecting his circulation, he promptly replied: "I don't ask anybody to subscribe to my papers or read them. I publish them for what I think is right and other people may read them or burn them."

These few sentences, I think, reflect the man as well as anything. People accuse him of being ambitious to succeed Lloyd George, or to be Prime Minister. I don't for a moment believe it. He is a born-and-bred-in-the-bone journalist, a seeker for the truth in news, a disseminator of facts with integrity and patriotism.

He owns fifty-five per cent in the corporation controlling his publications and sometimes a little more as minority ownership changes. But his brother, associated with him, is far richer.

For many years Northcliffe's income was perhaps two million dollars. Of late it does n't concern him in the least that it has not been half that. Like all true journalists he has more interest in the truth and in the expression of truth than he has in any personal profits or honors.

NORTHCLIFFE'S PATRIOTISM

He made Kitchener the idol of England, but when several visits to the front convinced him that

Kitchener was out of date, and that his shrapnel would never win the war against the German high-explosive shells, he demanded "shells, shells, shells," threw Kitchener into the scrap-heap, and made Lloyd George Minister of Munitions. He overthrew Asquith with a paragraph and did n't hesitate to declare privately that he preferred a government of newspapers.

Lord Burnham of the "Daily Telegraph" is liked by everybody and will quarrel with nobody. Northcliffe will meet any issue, no matter what the size or where the popularity; all he wants is the effective truth. Some people call him a scrapper. This is not correct. He is a warrior, fighting for what he sees to be true, and he carries no small arms — only big guns.

In Paris the Government may be overturned with a "bon mot" that shakes the boulevards. Clemenceau is said to have thus overturned six governments, each with a sentence of condemnation.

But Northcliffe goes upon the battle-field himself, and instead of scrapping with shrapnel, lines up with big guns for the high explosives, and politically, and for the empire, he fights, not to hurt, but to kill that which is false.

NEWSPAPER GOVERNMENT

Sometimes the thought of a people is reflected more accurately upon the stage than in the press. England is not at her best on the stage to-day. Formerly she produced the best plays and sent them to the States.

Now London gets its best plays from the States. The London theaters present musical sketches and exhibits of dresses and figures for the entertainment of men from the front. But, for the most part, war scenes are avoided.

The little drama that has been attempted of late on the London stage has been written mostly around rich newspaper proprietors, dwelling in baronial halls and directing editorial writing by telephone. There is a reflection in this of the real fight for government and influence behind the scenes. The people of London understand the line-up of their own papers with the money influences behind them. In the cocoa trade are the Cadburys and the Roundtrees, dominating with their three thousand employees the cocoa business, and rivaling in that respect the Dutch and the Swiss. The London people know them just as well in the newspaper business, and they are often alluded to as the "cocoa press."

THE FUTURE WARS

If the scheme for a League of Nations works out successfully, and England can withdraw her energies from defense by land, sea, and air, I make bold to predict that the present political and newspaper situation in England marks the beginning of a new era in which contests for dominion and in rival ideas will be waged through gigantic press operations of which we are now only in the beginning.

The London political newspaper struggles should be carefully watched by all students of the political future of the United States, for when it comes to strife and riot by printer's ink, the United States can outdo the field.

ARTICLE XXVIII

HUMAN DEFENSE AND DEVELOPMENT BY OCEAN

Homeward Bound, October, 1918

IT is not the future of Germany, but the future of the whole world, which is to be upon the ocean. It is the ocean which must in the future bind all the peoples of the earth in a common defense and in a common progress. It is by the ocean that nations hereafter will more than ever before make exchange of their surplus productions. Indeed, the future progress of the world and the development of mankind can only be from "over the ocean" development.

WAR WAGES ONLY BY INTERNATIONAL EXPANSION

IF the world is to go forward, a considerable measure of war wages and of high cost of living must be maintained and it can be maintained for all peoples only by international development.

Production in Western Europe and in the Western Hemisphere has been stimulated to a maximum of human energy. But the maximum of human invention and ingenuity has not been reached. It will go forward and there are possibilities of still further expansion in productive energies without war demand as a consuming customer.

There is therefore only one safety for the world and

that is for the Allied capital and energies to enlarge the area of demand by enlarging human consumption. This must mean over-the-ocean consumption.

CHINA MAY BE THE FIRST FIELD

It is believed in England that the quickest response can be had from China. China needs railways, cottons, and a larger variety of food. She can give silks, metals, and wonderful handicraft in exchange.

The world can afford to lend to her for her development, confident of her future consuming and producing capacities and ability to pay interest and eventually return the principal.

ENTERPRISE VS. COMMISSIONS

One of the clearest-headed English bankers said to me in August: "This war is going to remake England and also London finance. We have been content to take commissions here upon the world's business. Hereafter London must join in constructive enterprise and get the profits rather than the commissions."

The United States may take notice that England is going to plan, trade, finance, and work in the future as never before. She realizes that she faces a new era both at home and abroad, and that she must maintain higher standards of living for her labor classes. From the bottom, labor has got to have an uplift and find a larger margin of leisure and an easier road from the Board Schools to the University.

A NEWER ENGLAND

THERE is also the likelihood of the gradual disappearance of a definite class in England by the breaking-up of the landed estates. The lands of the nobility will be divided, from necessity and by taxation, and not by any Bolshevik confiscation. Already there is a demand for land from the wealthy middle class who will cultivate it and pay the increased taxes upon it.

But no man can yet measure the full social, industrial, or political effects from the breaking-up of England's government pay-roll, which now embraces ten million people, or say where England will stand when her six million soldiers are returned from the four corners of the earth.

INTERNATIONAL SHIPPING

ALREADY England is studying closely the American shipping programme and is most keenly desirous to know with just what in the future she must compete. Are American ships, built on war-time wages, to be sailed under the American wage scale with American citizens footing the deficit? Or will America's new tonnage be thrown into the markets of the world?

If the United States taxpayers propose to furnish the ships and foot the deficits, England under the continuance of her free-trade policy will turn her energies in other directions, and as far as possible take all the advantages arising from the unprofitable shipping of

others, just as she sacrificed her wheat lands when America could give her wheat cheaper than she could raise it and just as she sacrificed her sugar refineries when Germany offered her bounty-fed beet sugar.

LANGUAGE MODIFICATION

THERE was no wit but absolute sincerity in the sign hung out by the European shopkeeper, bidding for business: "English spoken here. United States understood."

If the United States troops remain long in Europe, American slang will have its modifying effect upon the language of England, but after four years of fighting on French soil, London finds the French making inroads upon English as she is spoken.

Slowly the language of the English people is being modified. The expressions "wangel," "Dora," "Na Poo," "Broving," may never make much progress in America. As everybody knows, "Dora" stands for "Defense of the Realm Act." But when you want to get around it, you inquire how you can "wangel" it.

"Na Poo" has really been adopted into the language, for it has taken its place on the stage. The English were at first nonplussed to find Tommy answering to almost every inquiry, "Na Poo," and it took some investigation to find out it was his contraction for the French "Il n'y en a plus" (literally, "there are no more of them").

In modern French literature, the soldier threatens

to kill with his "brovin" and Tommy adopted the phrase and called it a "broving." The etymologist discovered the connection, but may not be able to bring back the expression whence it sprang — the Browning as the name for a pistol. Thus may the name of the famous gun inventor be lost in language as the ages roll on.

LEARNING FROM THE UNITED STATES

ENGLISH shipping people are learning lessons from American war hustle. On the ship in which I left America in July, there were sixteen hundred troops. The purser told me that if the Americans had been running that ship, they would have had double the number. Continually the old dogs of the ocean would tell the American military authorities that the ship was full up and continually the Americans crowded more men aboard, ordering partitions torn out and hammocks strung up. And when it again was declared that all sleeping-places were filled, the American inquiry would be: "Have you extra beds? Put them on the dining-room tables." And on these tables they went, and many an American trooper going overseas ate his meals standing.

THROUGH THE DANGER ZONE

LET no one think that crossing the ocean in time of submarine warfare is a holiday excursion. I am on board with men who have been torpedoed three

times and on the last occasion in the Mediterranean, where the ship went down in three minutes and less than one hundred out of more than three hundred survived.

When approaching the danger zone, many people sleep in their clothes. When I laughed at the fears of one of my table neighbors, he replied: "About ten days ago I helped pull forty-five men out of a boat, and I think I would like to wear in the water more than they had on."

I asked the captain, sitting the other side of me, if he had heard of any submarines on this trip. He replied: "After our convoy broke up at 1 A.M. two days out, one boat had machinery trouble, and dropped behind, and later signaled of being attacked by a submarine, and so also did one of the other ships. But it is not our business to inquire or reply; only to scoot away as fast as we can."

It is little wonder, therefore, that the rule is enforced that wherever you move on board ship, your life preserver must be in hand; you are not permitted in the dining-room without it.

WOMEN AND CHILDREN

ENGLAND stands firm upon the law "Women and Children First," and thus far this year women and children have not been allowed upon ordinary ships. Indeed, it has been difficult for one to get permission for any woman or child to enter or leave the king-

dom by ship. When permission has once been obtained, notice is later given concerning date and ship. The boat selected is of high speed and well protected.

ZIGZAGGING

In modern warfare, every boat crossing the ocean has its zigzagging course handed to it before it sails. And that zigzag course is the trial of the slow-moving submarine.

A friend of mine in uniform was summoned to America. Every ship in the convoy of sixteen had cast off and was ready to move when he presented his credentials. The officer in charge said: "We are ready to sail, but Secretary Baker is my superior officer, and I accept his commands to do anything for you. Take your choice of ships and I'll put you aboard." He selected the speedy George Washington. It zigzagged toward the North Pole, down toward the Azores, nearly reached New York, and then zigzagged south and landed him at Newport News in double the usual number of days.

He learned later that the George Washington and the Leviathan, the two big ships of the ocean, had been specially marked by the Germans and therefore had to take special precautions in zigzagging. The British Admiralty must have developed a science in charting for zigzagging.

CONVOY PROTECTION

ONE of the most marvelous features of the war is the throwing of convoys, generally of about sixteen ships, in zigzag course across the ocean, with never a light showing at night, and no reports of disaster.

That there may be no collision within the convoy each ship is equipped with a log line to carry a float to break the water about a thousand feet behind. This is a protection during fogs and in phosphorescent water may be used at night.

Convoys sometimes have run as high as forty and fifty ships, and on one dark night on the West Coast of Africa, two convoys got merged in the darkness so that seventy ships were discovered together in the morning, yet without collision. It took some time, however, to disentangle them. It might have been a fine nest for a bevy of submarines.

Besides speed and zigzagging, the defenses against submarines are depth bombs, sea planes, and convoys. The big, fast ships go without convoys.

THE WIRELESS

IN convoys wireless communications between ships are avoided as much as possible and signaling is mostly by flags.

Only the cruiser or flagship may pick the wireless news sent out and she may or may not repeat it to the sister ships, which must keep their wireless tuned

to six hundred meter waves for any orders, while the news is received on twelve hundred meter waves.

One of the bad features of the war is the arresting of individual enterprise in development. Should the governments take over the control of the air and make wireless messages entirely through government initiative, development may be destroyed.

The great development in the telephone has come in the United States where there has been no government interference. In England the telephone has been for many years a joke. Sixpence telegrams cost the taxpayers double that amount, and there is no incentive to work or invent for an unprofitable government service.

FORMER LUXURIES NOW NECESSITIES

"GIVE me the luxuries of life and I care not who has the necessities," said the economic philosopher. The whole development of civilization is a development of luxuries. Its exemplification has been nowhere more striking than in this war, where the people of the United States, the most progressive in respect to luxuries and uplift in individual living, have subscribed money by the hundred million to give social and creature comforts that are now called necessities, but were once regarded as luxuries.

The Y.M.C.A. has reached an expenditure of five million dollars a month for so-called entertainment. The American Red Cross has been spending above

ten million a month for social service work and work for the wounded in coöperation and extension of government expenditures.

Expenditure, aiding individual "luxury" in war, has reached twenty millions per month as drawn from general charitable contributions in the United States. This is a measure of stupendous human progress.

ENGLISH EFFICIENCY

ENGLAND is knitting together for work. The directors of capital and the organizers of labor were never more together. There have been no strikes in England against capital, only against government wages or failure of government to equalize matters as between war bonuses and high cost of living.

England is studying efficiency and is preparing for the overseas competition of the future. Forty-six English factories, without trade union or labor opposition, have adopted scientific management, but no stop-watch can be used in any factory controlled by the United States Government, nor is Uncle Sam allowed by the labor unions to make studies in time or motion, or the compilation of records which might promote individual efficiency.

ARTICLE XXIX

RECONSTRUCTION WHERE?

TALK of reconstruction and profits for the United States from after-war reconstruction is founded upon two fallacies. The first is that we should be called upon to send material and builders to Europe. An American going through the devastated area of Europe may be surprised at the small amount of steel construction. Many shell-shock devastated towns and villages are flat to the plain and only in the case of modern railway stations or modern factories of international ownership may you find steel construction standing above the ruin. Building in Europe is largely of stone and of brick and mortar, interlaced with timbers. Shell shocks drop out mortar, cement, and stone, and often leave timber on top of ruins to be again splintered by shot and shell.

The big cities of Northern France will be repaired upon their present bases because, in general, they are not more than twenty or twenty-five per cent damaged. Smaller towns and villages will not be rebuilt with steel any more than an American devastated village would be rebuilt with steel construction.

Local artisans, local labor, and local materials will rebuild Northern France and Belgium and not American labor or American materials.

WAR PRICES AND PEACE DEMAND

THE second fallacy as advanced by the party of reconstruction profit for the United States is that you can maintain war prices for labor and materials and have war prosperity with only a peace demand behind it.

There has been a deficiency in construction in the United States during the war, but if war prices for labor and materials be maintained, it would be much cheaper to buy existing buildings than to build new ones. It would be far cheaper to buy existing equities in corporations and enterprises than to start new ones, for they are selling at fifty cents, or less, on the dollar as measured by war prices for labor.

Therefore we must have great inflation, or stimulation, in valuations for improved lands, buildings, and corporation equities in this country before a further construction on present war prices can be attempted. There are no indications that the wisdom of finance will support such advances or inflation.

SHALL WE DOUBLE PROPERTY VALUES?

NEVERTHELESS the Washington Administration must face the facts and must double property valuations if it is to demand of the country that it continue to repair, construct, and go forward with enterprise upon war prices.

Yet probably Washington realizes, as must the governors of the Federal Reserve Banks and all pru-

dent financiers, that disaster lies in that direction. For there could be no confidence of permanent values on such a stimulated basis with the world outside clamoring for trade with us and offering us goods at thirty to forty cents on the dollar of our prices.

The cost of living is nothing but wages. It might be advantageous to maintain the present wages and the present cost of living if we could isolate ourselves from the rest of the world.

But it can readily be seen that these popular fallacies — profits from peace reconstruction and continued war prices — nullify the one or the other.

WORLD'S PRODUCTION CAPACITY INCREASED

It must not be forgotten that Europe and Great Britain have a steel production capacity and an incentive to produce and export greater than ever before and that eighty per cent of the world's steel capacity has been going into war work.

The returning armies of Europe and the retiring armies of munition workers there will far outnumber the returning armies and retiring munition workers of the United States. There will be the highest incentive in Europe and Great Britain to employ local labor, local engineering talent, and local materials, not only in their own reconstruction, but in an attempt to expand their exports.

The place for reconstruction in the United States is first in placing industry upon a peace basis in the

entire wage scale from mining and raw material production to agriculture and manufacturing. With Europe on the verge of starvation it is not food that can first come down in the United States. Unfortunately, reduction must come first in wages. The tendency will be to increase agricultural labor as mines and factories temporarily reduce their output.

HOME DEMAND MUST BE INCREASED

THE quicker the new peace schedule is established, the safer will be the country and its prosperity, for it is in the United States and not outside of it that we must stimulate the demand. The cities are already overcrowded. There has been no construction during the war to meet the growth of population or the concentration of population in cities. There are all over the United States vast building construction, extension, and reclamation projects awaiting a basis upon which capital may with safety base enterprise and go forward with hope to profit.

But until that time arrives capital will seek investment in properties that are based upon former peace valuations.

There can be no reconstruction for the United States except in its price schedules and no construction era inaugurated until these price schedules are established on fairly firm ground.

The importance of this fundamental peace problem for the United States warrants the presentation of

the subject by the attached personal correspondence which we have received permission from Mr. Jacobs to publish.

Henry W. Jacobs is an industrial and railroad expert, at Chicago, a trained machinist, a manufacturer, an inventor, a capitalist, an industrial organizer, an executive, and a farmer, as well as a close student of economics and human nature. His expert work and his inventions are well known in railroad, factory, and shop work.

THE PROBLEM

Chicago, November 16, 1918

DEAR MR. BARRON:

Since Germany has had to meet the inevitable, the question of what policy will most nearly meet the requirements of the reconstruction period becomes more and more the salient issue among business men.

On trains, in hotels, everywhere that men meet, the predominant if not the sole absorbing topic of discussion is as to the proper measures of preparedness necessary now to meet a crucial situation, of which neither the time of its development nor the extent or direction of its influence can with any degree of certainty be established.

The chemist working with inanimate materials and along lines of long and well-established law must exercise the greatest care that superficial similarity may not lead to mistaking deadly poison for a harmless

substance, or cause the mixture of innocent elements which united become dangerous compounds.

The men who are to bring our business ventures through the period of reconstruction have no set of infallible laws as guide. They must work, not with stable, reliable elements, but with such unknown factors as the temperament of individuals, communities and races diverted from normal course of thought and action by events which have controverted the forces of inheritance, environment, and training, and have brought into being inert qualities and tendencies the nature, power, and longevity of which no man may measure.

Omar, who condenses the philosophy of the ages into flippant verse, says: "A hair, perhaps, divides the true and false." Our writers on finance and business, each speaking as the oracle, offer blind conjectures, varying either with the inherent temperament or momentary mental state of the speaker from deepest pessimism to the contra heights.

The days of the prophets are past, or perhaps it is only that we cannot single out and follow the true word. In the first few years following the conclusion of peace many business disasters will occur; on the other hand, many fortunes will be made. Whether the individual business falls with the former or rises with the latter depends upon the breadth of vision employed in the analysis of all the influencing factors and upon the courage and confidence with which the issues are met.

I am being constantly asked to express an opinion as to the course of action best fitted to meet the situation which has developed since Germany has submitted to the inevitable.

1. Should materials be purchased or contracted for in quantity, anticipating continued large demands, or should inventories be reduced to the practical minimum?

2. Should working forces be aligned with a view to continuous operation following the war, or should preparations be made to curtail output or shut down entirely during reconstruction?

3. Should new construction be attempted at present high prices and new equipment purchased at almost prohibitive rates with any hope of increasing demand for production repaying the excessive capital expenditure?

These are a few of the pertinent questions asked each day. Your broad, wide, and master knowledge and experience in financial matters;—your broad experience in big business enterprises and your close association with leaders in the commercial world places you in a position to judge, as far as is humanly possible, the course which events will probably take, and to dictate the best present line of action in preparation.

If your convenience permits, I would be grateful for your advice. Yours sincerely

HENRY W. JACOBS

THE RESPONSE

New York, November 29, 1918

MY DEAR JACOBS:

I thank you for your very flattering letter of November 16th at hand. I do not think I can reply to your questions better than to quote from my reply to one of my associates: "Reconstruction conferences are humbugs. Dig into the newspaper reports of that Atlantic City conference and I'll give you a nickel for every clear idea you get. . . . Have all the members of our news staff get after the active men of affairs and see what reconstruction they contemplate — in the way of taking down war prices."

CAN WE ABOLISH LABOR COMPETITION?

IT seems to me that the civil population of the United States can have very little to say about reconstruction. It is for the military authorities to reconstruct from a war to a peace basis by returning men to fields of competitive labor. And please put emphasis on the word *competitive,* for therein lies the future crux of the whole matter. How far is competition to be allowed, or how far is it to be prevented, in the labor market, nationally and internationally? When the world summons fifty million men from the mines, the farms, the factories, offices, and schools to world combat, and changes the labor production of more than a hundred million others from the pursuits of peace to the sup-

port of war, the military reconstruction must be of some importance, but the industrial reconstruction is after all the main thing.

Let us not burden the question with the subject of international migration or even international tariffs or geographical reconstruction in Europe. The problem that concerns us here is after-war industrial reconstruction, and this is not a reconstruction by the absorption of two or three million men back to their places in industry.

Our selective draft was so admirably handled, and so widely diffused over the country, that no trouble need be anticipated in the return of our soldier boys. They will find their places just as readily in civil life as they found them in military life.

The whole problem with us lies in the cash value of their labor on a peace basis and of the labor of ten to twenty million more turned aside to war work and now swinging back to industrial fields.

It would seem to be axiomatic that when a demand ceases, the price of the thing demanded falls.

The world demanded men for war and raised the price of men in every department of life from the cotton planter, the wheat farmer, the hog raiser, the miner, to the clerk and the office boy.

WHY PRICES WERE ADVANCED

Now if we could have given during the war full complement of men to the coal mines and the farms, the

price of coal and of wheat need have been raised only as the wheat farmer found his tools and other cost of materials advanced. But war bid not only for men, but for steel and copper and cotton, as these had not been bid for before in a generation. You had to stimulate their production in every possible way and at the same time you had to bid against their production by taking away the producers. There could be only one result — energization in production and stimulus to more work for every pair of hands by advanced prices. It did not make any special difference in the end. The miners who were getting three dollars a day migrated to another camp to get six dollars and found themselves worse off. Their wages were doubled, but what they bought was more than doubled.

The economic result was higher wages, higher cost of living, but energized production.

WAGES MUST FALL BEFORE FOOD

Now the present problem is in the time it will take to lower the cost of living. Until this is lowered, labor will fight by strikes and idleness against lower wages, but it is inevitable that wages and living costs come down. They are interchangeable. But the immediate financial problem is which shall fall first and farthest. It seems to me that wages have got to fall first, because the war demand for both labor and materials will suddenly cease, and throw labor out of employment. The farmer will find a large surplus of labor

offered him. And as there is no surplus of food, and food demand must remain up, the longer we can look for heavy planting and heavy food production the world over, insuring future stocks at low prices for food products. But it may take more than one crop to bring about this desirable end. It is also a question of how far it is desirable to have low food prices.

THE FARMER AT THE BOTTOM OF THE HEAP

THE farmer has been the most underpaid man in creation. All the fates have been against him. With modern machinery and modern inventions thrown into his hands and at the same time competing with him, he has seen nations turn from ninety per cent agriculture to thirty per cent agriculture and still found himself at the bottom of the heap, the competition at the labor base fixing his prices at the lowest wage for products of his farm. The egg crop of the country probably exceeds in value the production of the precious metals, but it is raised by unpaid family farm labor, and the same is true of milk, butter, and cheese.

Herein lies one of the great unsolved economic problems of the world — the cost of living in times of peace resting upon unpaid family farm labor.

DR. MUEHLON'S SOLUTION

HERE is where competition has its completest sway. Is it possible that we can fix a maximum wage for the

factory or above an average wage for the government servant and the closely organized union employee and leave the whole question open at the bottom with competition and low wages only to the dweller on the soil?

This problem is probably in the reconstruction that confronts us. It is too big a problem to be solved in a day or a year or perhaps in a generation.

Dr. Muehlon, of the Krupps Works, the one man who came out of Germany with the declaration that the salvation of Germany lay in her defeat, has clear thought upon this subject, and in a conversation I had with him in Switzerland a few weeks ago pointed out, I think, the solution of the problem — smaller factories, smaller units of industry, and so located that factory and farm life may be combined, the farmer getting better wages by factory employment and the factory employee getting better health and better living conditions by the opportunity to raise a part of his own food.

DON'T STOCK UP

THIS would indeed be the great reconstruction of the world. But for the reconstruction right ahead of us, we must remember that there are now no surplus stocks of food in the world, but there is the energized ability of the world to produce metals and goods in the maximum amount. Therefore, I should answer your first question by saying that materials should not be purchased or contracted for in quantity and that inven-

tories should be reduced to the minimum and kept there. But I should also declare that an energized world will not only continue to produce, but continue to consume very largely after the war, and I should not expect any great diminution in the volume of business measured by quantity unless artificial prices are maintained.

Secondly, working forces should be aligned with a view to continued operations after the war, but at reducing prices. In other words, don't accumulate either in raw materials or in manufactured goods. Accept your orders and fill them promptly and do business on a cash basis for yourself and trust others freely who are not carrying extended inventories.

KEEP ORGANIZATION

THIRDLY, new construction should be according to circumstances. There are some demands that must enlarge and be met. It will be cheaper for many a man to maintain his organization and his trade without manufacturing profit while fighting a declining market. Then when accumulated raw materials in the future close some mines and factories, he will be able to stock up at minimum values, have his trade well in hand, and look forward with confidence to a profitable future. He will also have had the satisfaction of knowing he has done the patriotic thing by his country, his fellow men, his business, and his employees.

Of course coal and steel will not stand long on a war basis. But these are small elements in many lines of production.

I once protested against a large building construction at the highest prices that had prevailed for some years for lumber and steel. The response was that the loss of business or rents from non-construction would be far greater than any future charge off on materials bought at high prices.

There is always a large backbone of business in this growing country to which this applies.

But of course new business or adventures in new fields should not be undertaken with expectation of peace profits from war costs. They don't grow on the same tree.

OUR CAPACITY INCREASED

It is Europe that will need a reconstruction, and it is Europe that is preparing for it at the peace table and with reconstruction committees to rebuild where fields, factories, business organizations, and especially markets, have been lost.

But the United States needs nothing of the kind. The United States has gained markets where others have lost. It has gained business and business organization and business invention. The agricultural chemist, the dye worker, and the high speed tool maker are all to-day more independent of Germany than ever before.

Let it not be forgotten that the United States during this war has created, has invented, and has produced as never before, and many of the creations, inventions, and new productions will augment the business and wealth of this country after the war even with lowering prices for labor and for living.

PLENTY OF MONEY

And above all for the prudent business man, there is the knowledge that we have in the federal reserve act an unused credit surpassing the credit of any empire on earth.

There is no necessity outside of fear and ignorance for curtailment of credit.

Money is 3½ per cent in Paris and 3 per cent in London and will not long be 6 per cent in New York.

When confidence, based upon knowledge, again feels the grip of our people on a peace basis, we should astonish the world in production, profits, accumulation of savings, and increment of capital, and in the highest paid labor field, just as we have astonished the world with the orderly progress and mighty tread of the United States moving eastward in war and planting its banner along with those of the other republics of the world over the bridges of the Rhine.

Very truly yours,

C. W. Barron

ARTICLE XXX

THE RED CROSS AND RED RUSSIA

WHO won the war?

England, because she swept the seas. France, because she stayed the Hun. Russia, because she divided the Hun forces and thus saved France from early destruction. Italy, because she assisted in the break-up of Austria. And, lastly, the United States, because when everything was hanging in the balance and the Hun was within thirty-nine miles of Paris, we swept the line from Belleau Wood through Château Thierry on to Metz and in five months crowned the Allies as victors.

THE WOMEN WON THE WAR

YET, over and above all, the women won the war. Five million women made good the places of the six million men that England enlisted. The women of France sustained the men of France and the Red Cross sustained the women.

One of the unnarrated chapters of this war comprises the judicious expenditure of Great Britain and the United States in France. There was a time when France was terribly torn and worn to the limit in human and financial resources. England could not then spare more men in her fight around the world

but she had credit and she poured money into France, buying supplies there that in ordinary times she would have purchased at home.

THE RED CROSS BACKED THE WOMEN

THEN the American Red Cross, a Red Cross ten times greater than that of any other nation, took up the work in France and enheartened the women, assisted the children and wounded, helped the family and encouraged the wives to encourage the husbands at the front.

No people in the world are so quickly responsive to the word of encouragement, the ray of hope and the friendly cheer as the French. They were cheered up and sustained by the people of England and the United States until the United States Marines could show them in June at Belleau Wood that the English-speaking people were not only with them with their gold and with their word of cheer, but with their lives and with victory.

WALL STREET'S RED CROSS

THE American Red Cross should be the pride of the whole country and the pride of Wall Street. Washington loves to make a scapegoat of Wall Street. Millions of people can be found over the country who have lost money therein and would like to hurl bricks or votes thereat. These people, however, were not as a rule investors. They were gamblers and they have

known Wall Street only as a gambling center. Wall Street is not only the gambling center of the country; it is the investing center; it is the financial center; it is the business center; it is the banking center; it is the brain center. There is a good and a bad Wall Street. One desires money without service and promises gain by gambling. And there is the Wall Street that regards itself as the guardian of trust funds; the creator in investment values, the protector and developer of property interests.

THE BUSINESS RESPONSE

To the true Wall Street Washington appeals when it has the seemingly impossible before it. In 1917 Washington summoned Wall Street for a reorganization of the Red Cross upon a bigger and broader basis than was ever dreamed of. Wall Street called for $100,000,000. The first response was: "We like your patriotism; but damn your judgment. You, of course, cannot mean that you have any idea of raising a whole hundred million by gifts!"

The reply was: "We mean just that and we want that hundred million." And from Wall Street the financial and business avenues of the country radiated out and called in $120,000,000, with over $20,000,000 more for annual membership in the Red Cross. Later $170,000,000 was raised and now the call is on for a membership roll that will permanently carry the organization in world-wide social work and relief and

in an "ever-ready" organization of United States preparedness.

RED CROSS RESPONSIBILITIES

I FOUND Harvey D. Gibson, in charge of American Red Cross work in France, more impressed with the responsibilities of the disbursements in France amounting to more than $5,000,000 a month than with any responsibilities since he got married and went on his honeymoon with only $138 to his credit. Between these two events he has, just incidentally, built up the Liberty Bank from $20,000,000 to $100,000,000 deposits.

In April, 1917, the American Red Cross in France had 18 workers. This fall there were more than 5000 and they were arriving in France by thousands. Back of them were 47,000,000 contributors in the United States.

Everywhere in France and Switzerland I found the American Red Cross preparing for great work. The American army meant business; meant to take its share of the suffering, and the Red Cross was clearing the decks to supply wooden legs and wooden arms and new occupations for the maimed and crippled defenders of democracy.

RED CROSS STOREHOUSES

THE Red Cross was storing up tons of food and for as many as 50,000 prisoners that might be expected

some day in Germany, although the Germans then held only 1100 prisoners when we held 15,000 of the Germans as prisoners. Nevertheless, the Red Cross people said: "We must be prepared for the unexpected. General Gough lost nearly 50,000 men as prisoners of war to the Germans practically in a single night, and we must expect reverses."

One of the most marvelous things of this war is that the Americans never took any reverses. They continued to take German prisoners and when the armistice was signed on November 11 we had 44,000 German prisoners, but in the more than 800 prisons of Germany there were only 3602 Americans. From the southern prisons they have all come out in good condition and brought a ton and a half of Red Cross food with them which they delivered over to the Italians. From the northern prison camps they will soon go out with the English prisoners who will leave Germany by ship.

The preparations of the Red Cross at Paris were most thorough. At Auteuil on the old race track by the Bois de Boulogne, tents of Bessonneau pattern had been erected with their double walls for coolness in summer and warmth in winter, and sometimes as many as three were joined together. In all there were 112 wards with 2400 beds averaging to cost $200 a bed for tent and construction without supplies. Water jumps had been turned into fountains and gardens. Even the old betting stands were made use of. Such

was the storehouse equipment here that 2400 men could arrive in the night and only bread and milk for breakfast would be the extra requirements. At the other end of Paris were enormous storehouses filled with Red Cross goods for the refugees as well as the wounded. At 11 Rue Cambon the Red Cross has the third largest storehouse for shipping in Paris and there were 30,000 iron bedsteads and 30,000 more coming.

HELPING THE WRECKS OF WAR

WHAT interested me most were farming tools by which the mutilated might work for their livelihood. The Red Cross maintains also an artificial limb factory in Paris. Said Mr. Gibson: "We take people with no legs and no arms and teach them how to do things. We have convalescents' houses and recreation buildings. We spent 32,000,000 francs in May, including donated articles, which amount to nearly twenty per cent, and in June 27,000,000 francs exclusive of donated articles, or about the same. Our relief goes on side by side with the Y.M.C.A. and the others. A mile behind the front you can see the four systems of relief work often side by side. The soldiers just love the Salvation Army. It is doing the finest kind of work, but not a large work. It holds the respect of everybody because it goes right to the front, makes pies and doughnuts and hands them out to the boys for nothing."

This, I am told on the side, is just one of the things that has made trouble for the Y.M.C.A. The Salvation Army doing a small work can do it all by donation. The Red Cross, having the advantage of government transportation, can sell goods to the soldiers below the cost to the Y.M.C.A. with the result that the Y.M.C.A. had to appropriate $5,000,000 in special fund to pay the cost of selling goods to the soldiers at a loss or at the same price as the Red Cross.

VALUE OF THE RED CROSS

STILL the most effective war dollar is the Red Cross dollar. General Pétain is quoted as saying that the Red Cross was worth a million and a half men in the trenches. If so the Red Cross was worth to the United States more than a billion dollars a month; for, if the United States had ever gotten a million and a half men in trench work, it would have required another million men behind them in the service of supplies and nearly ten million in the States for the supplies, and the cost would have been more than a billion dollars a month.

Henry P. Davison, the executive head of the Red Cross, has been quoted as saying that if he were offered half a billion dollars for Red Cross work in lieu of one hundred million dollars cash and the work of the women, he would not look at the half-billion.

The reason is easy to see. Cash could not secure what the eight million women workers in the United

States have done for the Red Cross — three hundred million surgical dressings, twenty-five million hospital garments, nearly two million garments for refugees and ten million knitted garments, sweaters, etc.

SLOWING DOWN THE WORK

It is not now expected that the Red Cross will long be passing out hot chocolate and coffee at the front or that the plans for its full five hundred depots for men behind the firing line will be finished. The twenty thousand Belgian children which the Red Cross has taken care of will in due time find the home land. But all that the Red Cross stands for must go on, for it comprehends all for which the war was fought — the democracy of human fellowship and that fellowship expressed in service.

Red Cross social service abroad must go on for many months and there are still millions in the Red Cross treasury for this work and probably enough to complete the work for our armed forces. But the Red Cross social work in the United States should never cease; and there is the vast domain of Russia calling for almost endless assistance, for no man can now see the end of the struggle which is on in Russia.

THE PLIGHT OF RUSSIA

The future of this war is a league of nations and peoples and not of kings and potentates. Man is his brother's keeper and must remain so as long as the

fruit of this war endures. When the veil is lifted from the war scene the other side of Germany, it will not be a vision of warriors going "over the top" carrying ninety pounds of equipment per man. It will be a vision of looted homes, of widows and orphans, an infamous holocaust of crime and blood-letting started by Germany, German money and German propaganda, that must now justify itself and its destruction by social theories.

Already according to late reports I have through Switzerland, the tide of blood is ebbing and even the leaders themselves begin to see the end of their sway and the incoming of a military dictatorship until law and order can be restored and education lay the basis for popular franchise.

HOW THE HUNS DESTROYED RUSSIA

One of the leaders of the Bolsheviki, who by early training and education should stand for the highest and best, made this declaration to one of my friends: "The Church and the family must go. They are both the enemies of civilization."

The enemy of the Bolsheviki is, therefore, the family, the family relation, and the Church which declares "Thou shalt not steal." The Red Cross is the friend of the family, the defender of women and children. Its great work should soon be in Russia.

If the Allies are to leave Russia to her fate and unprotected from the Hun, Germany will be the winner

in this war even if she pays $30,000,000,000 of indemnity. She can easily wring it all back by enslaving more than 100,000,000 of the 170,000,000 Russians.

THE GREATEST SUFFERER

RUSSIA is, has been, and is to be the great sufferer from this war. England gets the colonies and conquest over the enemy that has been plotting for her destruction for thirty years. She stands in India and Asia hereafter in no menace from Turk, Mohammedan, or Russian. France gets Alsace and Lorraine with the potash and iron developments of German industry. She may also get restoration for Northern France. Belgium and even Servia and possibly Luxemburg may get reparation. The United States becomes the supreme arbiter on the rights of man and the duties of democracy in international relationship. But what of Russia who, unprepared and unequipped, diverted the full Hun blow from France at the beginning of the war and lies prostrate and bleeding from the Bolsheviki poison gas set loose by the Hun propaganda for the destruction of all government, social, business and financial order in that country?

Russia was in Europe the friend of the United States in the Civil War. Can the United States or any true ally at the peace table count Russia out? Is she not the great unredeemed sufferer by the war in which she was at the beginning so much a factor in her advance against the Hun?

THE CRIME GERMANY SEEKS AGAINST RUSSIA

It will be the crime of democracy and the crime of the Allies if Russia is not set upon her feet and restored to her position in the league of the democratic peoples of the earth surrounding the murderous Hun.

The last word I have from Switzerland, and it is dated weeks after the armistice, is that the German mind is still unconquered. One may look in vain for any sign of repentance throughout Germany.

The whole plea in Switzerland throughout this entire year has been for the Allies to forget Russia.

It is unbelievable that the wish of Germany in this respect should be accomplished. Let every good American sign up this week as a Red Cross member and put his mind and heart on the redemption of Russia.

The danger that menaces the world from Russia is truly as great as that which threatened the world from Germany. Bolshevik organization for social disorganization is now as great a danger as ever was German military organization for world-wide piracy.

In a new world of mutual service and helpfulness the first aid should now be for Russia.

The American Red Cross which stands for all that our great victory stands for — human brotherhood — should be ready and financially equipped to give succor to our ally — the people of Russia — the moment an international police can open the Russian prison doors. Behind are suffering and starving women and children.

ARTICLE XXXI

RECONSTRUCTION FOR MAN

THE upheaval in this great war necessitates many reconstructions. There is first the political reconstruction, which is of a negative character. It means only that military autocracy must come down and thrones supported by bayonets must be overthrown that democracy may be insured its freedom.

Our entrance into the war was really a defense of republics and thus of the Monroe Doctrine. German military autocracy threatened us upon the seas and if successful in Europe would wipe out with German "Kultur" every republic on this side the ocean.

Thrones as symbols of power in service for the people and autocracies and armies, maintaining prosperity and peace, may have their uses, but when they menace the progress of humanity as represented by democracies, they must by democracies be overthrown.

THE INDIVIDUAL MAN

HUMAN progress is after all the real thing. The external political or state form is not the material thing. Autocracies are for people lacking in individual progress. The entire German system is notoriously backward in individualism. The Germans love a tread mill and the machine operation. They prefer to work in

organization. They are lacking in individual initiative and are, therefore, not an inventive people, although, through system, great developers of the inventions of others. Now that the wireless telephone has been invented, serviceable for a hundred miles, they may be able to operate successfully with military tanks. They could not in this war because each tank must hold an individual initiative.

There is no magic in the word democracy or in autocracy. In true freedom both are elective. The Germans have a right to elect autocracy and when it goes wrong they must foot the bill. And perhaps war experience will teach them that the assumption of their individual duties in respect to governments and their fellow man is in the end cheaper — as well as of educational advantage.

LAUGHABLE LYING

MILITARISM has taught the Germans lying and cheating. I could but laugh when at the great English reclamation plant in Calais, which has set the standard in efficiency for all the Allies, they told me how one company of fifty-eight captured Germans assigned to the Calais shops all declared themselves locksmiths that they might keep together. It did n't take long to prove that only three of them knew what was inside a lock.

It is conceivable that when man has advanced through individual responsibilities and necessary

initiative, society may return to kings and courts as a simplified form of government — after kings and courts fully understand their direct responsibility to all the people and that they have no more divine rights than others elected or chosen, have no superior human attributes and in citizenship are on equal footing with all in the kingdom.

It is likewise conceivable in human development that after everybody has assumed his religious duties, the world may elect that its ministers shall be assisted and united not only by bishops, but by cardinals and possibly a Pope.

SAVING THE RACE

THE great thing after all and before all is human development by the development of the individual man. When everybody takes a part in the government the result is not the best government, but is a higher development of the individual because kingly attributes or functions of government are alike thrust upon all.

Two subjects have been impressed upon my mind by close study of the European war facts, and they are gunpowder and syphilitic poison. The latter has been used as a war weapon and it has also been curbed and at places eradicated by autocratic methods — methods that ought to prevail in time of peace, but are absolutely necessary in time of war.

The democratic State of Michigan autocratically

and effectively dealt with this subject that it might insure health to its citizen soldiery. It compelled the medical practitioners to report every case and suspect and then in a single day every case was corralled for hospital attention. Here is where the autocratic features of administration in government have proper play in state, national, and individual defense. It is the duty of government to prevent the spread of disease as it is to prevent the spread of crime. Disease is more destructive to human life than crime. But we legislate more sharply concerning property losses than human losses.

I could name a country, and it is not the United States, where twenty per cent of its enlisted men, it is estimated, may return to civilization with syphilitic poison contracted in Europe.

WHERE PERSHING WON

General Pershing is deserving of all praise for the attention which he and the General Staff gave to this subject. He kept the American soldier boy out of Paris and the Staff battled it out with the Y.M.C.A. and won out. The good Christian people took the short-sighted view that prophylactic treatment would lead to immorality and spiritual degradation. The idea was old English — that terrors and dangers of hell keep people moral.

The military staff maintained that it was the business of the army to sustain health and not to sustain

spirituality by hell terrors and torments. The German army probably does promote immorality by the personal medical equipment it furnishes its individual men.

It was finally agreed that in the American army no individual equipment should be furnished, but the contraction of a contagious disease should be a punishable crime, and that preventive treatment would be furnished at medical headquarters whenever a soldier had endangered himself.

The result is an American army in Europe of which the States at home may be doubly proud. Soldier boys are not all saints, but anybody who questions the social standing of the American army should understand that it is far higher in respect to health and the social evil than any country, city, or State can furnish for the same number of men. This is a true statement and is all the more remarkable when one considers the European temptations and the European social freedom.

Here is a blessing of military autocracy that ought to be drafted into the home cities and States.

A BAD RECORD

It is n't a pleasant subject, but I think I am in duty bound to pick this item from my more than one hundred pages of closely typewritten notes and present it exactly as originally written. It is a record not usually revealed:

"—— says 100,000 venereal disease cases in British army every year for first three years of war — a total of 300,000. Only one in six comes back, and only one in four gets well. The foreign disease appears worse than the American disease. No cure under seven weeks, and some men die of it."

WHAT MIGHT BE

ALL the data on this subject cannot be printed, but I can see a clear future for the uplift of humanity and the physical, moral, and spiritual benefit of the race, if there were a Rockefeller foundation in position to tackle this subject with proper perspective and the highest aim in gathering all the facts.

As a world problem brought to public view and official attention by this war, it outranks any reconstruction problem presented by all the steel mills or powder works of the world. I have had described to me the suffering of men who in the early days of the war fought in trench mud and dirt until their boots were actually grown into their flesh so that their footgear had to be removed by knives and the pieces of leather picked out of the flesh. But in a few weeks nature restores a man's foot. It is horrible to think of the millions of maimed and crippled men who have fought a world battle for a world defense and given their bodies to future lives of suffering for their fellow man. But their sons and daughters will be born full armed and vigorous for life's struggle. Yet millions

of innocent women and children and millions yet unborn will suffer from disease ravages, the getting and transmission of which was of no possible benefit to civilization or to the world.

GUNPOWDER

FOUR hundred and fifty chemists have been at work for the du Pont Powder Company to find peace industries for that company's plants that were turning out powder at the close of the war at the rate of six million pounds per day or two billion pounds per annum. But what is all such chemistry work compared with what might be done for the preservation of the health of the race? Very few people know that before the war the United States made sixty-five per cent of the world's war powder and exported it to other countries. Germany made only fifteen per cent, England ten per cent and France and all other countries only ten per cent. But the aggregate of this business before the war was so little that the du Ponts did only fifty-five thousand pounds in a year, or about three per cent of their total business.

All the gunpowder in the world never did and never could do the damage that is wrought throughout the world from violation of social law and order. Yet the world calmly contemplates, and even stops to discuss, the social aims of a propaganda in Russia that would destroy all law and all social order, the government and the family.

MATERIAL PROGRESS

FROM individual initiative — the development in freedom of the individual man — the United States at the close of the war had again demonstrated its supremacy in all the inventions of war. It had leadership in powder and explosives; in gun inventions, and plans for bigger guns; in aeroplanes in quantity production; in new poisonous gases, and in effective gas-masks; in size of shipyards; in shipbuilding plans, and soon would have outnumbered in effective fighting forces any two of the armies of the world.

They told me in Europe of a new T.N.T. developing in the States of double explosive power; how Allenby's army in its victorious march to Jerusalem drank water from Lake Victoria Nyanza, three thousand miles away, that flowed *via* the Nile and through a new twelve-inch pipe line across the desert to Jerusalem. Later I learned how a thirty-seven-mile eight-inch pipe line with two intermediate pumping stations had been built across Scotland from Glasgow to the Firth of Forth to supply oil to the British fleet; and that the French contemplated an oil pipe line fifty-five miles from Havre to Rouen. All these are parts of war measures and war industries, and foundations for later material progress.

But all foundations for material progress have no value unless they mean human progress and a progress for the individual man superimposed thereon.

The one great lesson of this war is the progress of man; progress in the only line where human progress is possible, the path of service — man to his fellow man.

A NEW AGE

In Paris, discussing things material with Coleman du Pont, whose name is associated not only with powder, but the greatest service in the greatest office building in the world, and the second largest group of hotel services in the world, I asked him the meaning of the war. He replied: "A new age is coming, with new social conditions, new economics, and a new religion."

I know that if I had discussed the subject further he would have agreed with me that, as popularly spoken, a new religion means a new theology, but that all religion is a religion of service; that every man's religion is in his life and individual service, irrespective of where his theology and ecclesiasticism may rest.

It matters not what a man's church or theology may be, provided he puts the good part of it into life and service.

When I have talked with the great Irish leaders, they have lamented the falling away of the Irish in America from the Church. They feared Irish social as well as political decadence.

Leading educators in the States have noted to me

the sharp cleavage in the public schools as respects the Jewish race. There is the stern orthodox Jew whose children in the public schools are God-fearing and man-loving and desire to learn and serve. But when the Jewish parent breaks away from his faith, the children in the public schools become untrustworthy and dangerous in the social order.

A MAN OF FAITH

General Foch in his youth saw the Germans in Alsace-Lorraine haul down the flag of France over the school where he had learned his theology and his texts for life's work. He then expressed his faith that some day he would help to put it back.

Foch, the man of the hour and of war destiny, is a man of faith. A California boy, serving with the American army in France, wrote home of his astonishment to find himself, as a curiosity-seeker in a French church, near to a quiet gray man in uniform who without ceremony was three quarters of an hour there on his knees in prayer and who he learned a little later was no less a personage than General Foch, at whose orders then, according to the Los Angeles "Times," that published the letter of the American boy Evans, "Ten thousand guns were roaring on a hundred hills that rocked with death."

Reading this account I am minded to pull from my notes and print below a page I had not expected to use. It is a prayer of General Foch, written by him

at the request of a French lady, a friend of whom handed me at my request a copy. It may be timely in this month of Christmas and war armistice.

PRAYER IN TIME OF WAR

"O ETERNAL FATHER: God of Armies: I offer Thee the Most Precious Blood of Jesus Christ, Redeemer and Prince of Peace, at whatsoever hour of day or night, in whatsoever spot on earth it may be, when this Thy good gift flows upon Thy altars; in atonement for my sins; for all the needs of Thy Holy Church; for the consolation of the souls in Purgatory; for the conversion of unbelievers and of sinners; for the Dying now and throughout the day. I offer it also for the expiation necessary for the dreadful deeds of War; for our poor soldiers and sailors, for their families; for those who command and for those who obey; for those who live and for those who fall; for those who suffer and for those who die; for wounded, for sick, for afflicted in mind or body; for all poor prisoners; and for all helpers of each and every degree.

"By the saving virtue of the Blood of the Lamb, ever living, yet ever immolated, by the Holy Faith, and Hope and Charity given by Him, O God, our God, hear our prayer! O grant that each one may do, by Thy grace, his duty as he ought, strong and brave, and casting away despair! O grant, Father of mercy, All-Compassionate, that Thou Thyself be with us, to Thy Glory, and the salvation of our souls! O hear

our cry for France, for her friends, and for her enemies too, within and without! Do Thou, from Heaven, help us, and by Thy Holy Spirit send True Peace on earth, and goodwill amongst men: that all may love Thee, and for Thy sweet sake that all may love their fellow men! Amen!

"Heart Of Jesus, Have Pity On Us All!
"Queen Of Heaven, Hear Our Cry!"

ARTICLE XXXII

POISON GAS

For at least two generations the prosperity of the United States has been the envy of all Europe. That prosperity was based entirely upon the freedom of the individual man. Instead of being bound by taxes and military servitude supporting government regulation and military defense, the citizen of the United States was free to move at will in city or country and to work for himself or his family. What he accumulated was policed and protected. He was encouraged to accumulate and to build, and the size of his accumulation and of his construction work was for a time praised and honored.

Business men, business engineering and business contractors and constructors, made this country big, prosperous, and progressive.

Corporation organization, putting the savings of the people into unified transportation, quantity manufacturing and other large capital enterprises, pushed the United States still further ahead and attracted an emigration from Europe that reached above a million a year.

IMPORTING FOREIGN PESTS

It could not be otherwise than that we should import the European diseases. We got them on plants and

trees, in insect life, bird life, animal life, and a considerable part of our national expense has been to combat those imported pests, diseases, and destructive fungous growths.

But the most dangerous importation and the one now directly threatening our industrial, social, and business life is the bad socialism sprung from Germany and directly promoted from Germany as a disease pest and smothering gas to disrupt the social, economic, military, and government order of the neighboring countries that they might the more easily fall as spoil before the military hosts of Germany as these marched forth for world conquest.

Germany believed she had for self-protection the proper antidote in military organization enlisting substantially every man in the empire and to each promising division and benefits from the loot.

The democracies of the world have overthrown the military power of Germany, and no man can tell her future or how far the winds of fate will drive her own poisonous gas back upon herself.

But for protection in the United States and before we don our gas masks and go forward in the new battle, which will be more threatening in 1919 than was dreamed possible in 1918, we must analyze the gas to find the antidote.

THE GERMAN POISON GAS

This gas is gangrenous green — the green of human

jealousy and envy. If unchecked by proper antidote it will eat the flesh of property accumulations and individual and national prosperity down to the bone from which no new growth can start until the bones have been ground to powder to create and vitalize new soil. Doubt it? Study the French Revolution and the socialistic theories by which human heads from the top of the social structure fell under the guillotine and know that the revolution began in finance and unjust taxation and continued with each party in turn murdering the other. In a few years Napoleon appeared and the finances of France were recouped with levies upon other countries. In eleven years Napoleon was crowned emperor.

REPEATING HISTORY

HAVE such things passed? Russia is duplicating the French Revolution in absolute detail from finance to social theories of reconstruction, with one party slaying the other only to be itself later slain. The picture will be complete in the Russian counterpart when its Napoleon arises. Then may come danger for Germany and Austria if not for all Europe. The Russians may attempt to recoup their finances as did the French by levies upon neighboring lands and peoples.

The poison of envy is in all humanity. The Germans officially cultivated it for purposes of conquest. The prosperity of France, the wealth and trade and overseas dominions of the British empire, were offi-

cially held up to the Germans as something they could never hope to possess except by conquest. They were stimulated to create that they might conquer. They were not stimulating to create that they might serve their fellow man and for mutual benefit interchange the products of hand and brain — for goods and truths.

OUTCLASSING WAR-TAXED EUROPE

While Germany was fostering envy against all Europe, all the European countries held a mild form of envy against the prosperity of the United States. Is it to be supposed that at the present time the United States can receive any sympathy in Europe over the fact that war has permanently doubled our national taxes; that where we paid one billion a year for national expense, we must now pay two billion a year under conditions of absolute peace and disarmament? Does not the government of every other country joyously welcome us into the brotherhood of nations with the biggest and most expensive army in existence to-day in the world, and prospects for the most expensive navy in the world, and a present programme calling for a taxation upon business that surpasses the tax programme of every other country in the world? We should not call this joy envy to be classed with the poison gas envy of Germany, but it is to be classed with that flattering unction in which individual man, struggling with trials, welcomes others

into the same domain with the sentiment: "Well, he is now one of us; we have had our troubles; he now has his; perhaps there will be more sympathy and more human feeling between us as fellow sufferers."

Our present tax programme will certainly not tempt a million emigrants from Europe.

POISON GAS IN THE UNITED STATES

THE envy in Europe over the freedom and prosperity of the United States is natural and not harmful. But the poison gas of envy from Germany cannot be eradicated in a generation. It has spread in undercurrents through the United States and has been accentuated by the natural envy of the South that found its labor system overthrown by the North and now has opportunity to profiteer on thirty-cent cotton in khaki uniforms and northern jeans and can dictate the tax programme on northern enterprise and duck on its own income tax. This is natural, and if it seems in any way a partisan statement, let one study the income tax returns by States and communities in the South and compare them with the heavy tax payments and shrinking valuations in the North.

A study of this German gas poison of envy as it ramifies through the United States leads to certain ethnological discoveries which are too unpleasant to be detailed.

Why should not La Follette, of Wisconsin, declare in the United States Senate that he would prevent

by tax the accumulation of a single dollar of capital wealth until after the war debt is paid? Could he win greater applause from his German constituency in the Northwest than over such a sweeping revenge upon the people who put their wealth and productive machinery behind a successful war against German piracy?

DESTROYING THE CAPITAL IN TRANSPORTATION

WHILE La Follette is uttering his sentiments in full knowledge that he holds the controlling vote in the next Senate, there lies upon the Senate table a nomination for Interstate Commerce Commissioner that must be pleasing to La Follette, and Brandeis, and Untermyer, however much New England may hold its breath.

Mr. Brandeis and his clerk, J. B. Eastman, made a public record for attack upon New England railroads. Mr. Brandeis declared from Washington that the railroads of the United States could save half a billion dollars a year by scientific management. Washington, this year, gave half a billion to improve the railroads and the result is half a billion loss and improvement yet to be seen. Brandeis goes to the Supreme Bench. Mr. Eastman was rewarded as a Public Service Commissioner in Massachusetts, and took oath of office to protect transportation in Massachusetts. Has he done so? Where are the investors' interests in the Boston & Maine and the New Haven railroads? Where are they

in the street railways of Massachusetts when the rails are being torn up and sold for junk and Mr. Eastman's Public Service Commission is fighting in the courts to keep down street railway fares while the dividends of Boston Elevated must be met by the taxpayers, which means for the most part by the people who have put their savings into Boston real estate and Massachusetts homes? But what shall Massachusetts say when a War Labor Board upon which sits William H. Taft awards the Boston Elevated employees wages which eat up all the fares?

Is it not time to reason whether the savings for the widows and orphans that have been invested in our transportation system have also a right to wages?

WHERE ARE THE HEBREW CHILDREN?

Is it not startling to find that the great Hebrews of the world, who have lamented that their race was without flag or country, are leaders in the debate against land-ownership and ownership of so-called natural resources? Samuel Untermyer argues in New York for some undefinable rights of nations and peoples in what was formerly the property of the individual — so-called natural resources, gold, silver, copper, iron, oil, and coal in the ground. Why, bless your soul, Mr. Untermyer, the people through legitimate government titles now own more wealth in Alaska and the United States (including the labor

to get it to the surface) than there is of wealth on the whole surface of the United States, including the labor that produced it. Your economic root is the root of Trotzky and your fruitage cannot be different.

THREE CLASSES IN LABOR

It is true that labor produces all things, but there is labor of machinery and labor of brain, as well as labor of hand, and of the three, the labor of hand is the most highly paid and the most inefficient. The world may reach its millennium when there is no hand labor and all is labor of brain and machinery. Who then may claim title to Nature's abundance? But such a millennium can be approached in this world only by brain and hand coöperating to produce a surplus which, as surplus of labor becomes surplus capital, reconverts into machinery for production under the brain and hand of man. Ownership of land and all the minerals under it, whether by Hottentot, Indian, or white man, is as nothing until hand, brain, and machinery coöperate and bring underground wealth to the surface and put it to the uses of man. Then and then only it has value — when it serves. In the ground it has no real value, only prospective value, and ownership may give it care and taxes for its protection. Destroy the ownership and you destroy both the care and the taxes which protect it for future service.

RESPONSIBILITY IS INDIVIDUAL, NOT NATIONAL

THE fundamental fault in the philosophy of Germany was that the State had an entity, and a right, and a morality, that was apart from that of the individual.

Nations like states and cities have only the life, the principles, the rights and duties, of the individuals within them. Governments can have no rights save those delegated to them by the individuals who themselves must have those rights before they delegate them.

How shall Mr. Untermyer and Mr. Trotzky, Mr. Eastman and Mr. Brandeis and La Follette, be answered? How shall the poison gas of Germany and the Bolshevikism of Russia be met in the United States? There is only one way and only one path to safety and that is in the enlightenment of the people.

And this poison gas envy will spread and Bolshevikism will grow until the people who have enlightenment and ability to spread the light come out from their homes and their offices and themselves understand the truth and preach it and make it manifest in the day's work.

ARTICLE XXXIII

THE PROBLEMS FOR 1919

WE struck the keynote of the oncoming new age when we fought in Europe for man and his freedom. We did not fight for nations or states. We fought for man and the fellowship of man. From this will follow the fellowship of nations. The men of the United States alone could have done substantially nothing in this war. France no more than Belgium could stand alone. The men of England without the women of England would have been defeated in munitions and food.

Great Britain without her colonies was impotent. It was estimated they would give her 100,000 men. They gave 1,250,000, including Australia, whence came ten per cent of her population without conscription. It was the volunteer men and women who saved the world. The United States would have done as much as Australia if needed. The selective draft was the just way in our melting-pot with so many races still unmelted. It produced the strongest, sturdiest, youngest army per man that could be marched into a 1918 European battle-field.

THE COMMON ENEMY

THE problem of the hour is how we shall now continue to fight for our fellow man; fight to give him oppor-

tunity to labor and receive a living and increasing wage. This can be done only in one way, and that is to fight for the accumulation of capital which alone can employ him. In England they have now the fellowship of labor and capital, and the politician is declared to be the enemy of both.

Machinery does more work than hand labor and raises the price of hand labor. Minimum-wage legislation preventing the destruction or impairment of labor is helpful all round; but maximum-wage legislation or regulation beyond the price at which products can be sold and retain these wages and wages to capital is all-around destruction.

Wealth is in quantity production; machinery gives that quantity. Wages which enterprise and the borrowed capital of enterprise cannot pay are wages that destroy enterprise and capital. The worker for daily wage is then the great loser. His strength must be daily renewed and if not put in service is wasted. The labor of brain or enterprise may be sent to the laboratory, to the study, or on voyage for discovery in other lands.

The loss of capital which bids for and sustains labor is more irreparable than the loss of hand labor. There is no daily birth replacing a dead railroad or idle factory.

WAR WAGES

THREE problems — largely local problems in the United States — are before us as the vital problems for the opening New Year.

First — How and what part of the war raise in wages to retain. Eight dollars a week for a railroad crossing tender before the war was too small. Twenty-four dollars a week for the same service is now too large. Fifteen dollars a week for inspectors of car wheels and machinery was too small before the war. Forty-five dollars a week is now too much.

But let us be more specific and go to the railroad auditor's office and ask for an inspection of government orders. This is what we find in language that any man may understand and concerning positions with which every citizen is more or less familiar.

GOVERNMENT RAILROAD MANAGEMENT

Position	Before	After
Office	$8.00 per week	$13.40 per week
Minor station agents	74.75 per month	182.00 per month
Baggage men	72.80 per month	144.40 per month
Drawbridge deck hand	90.00 per month	188.28 per month
Car repairer, blacksmith	5.22 per day	9.52 per day
Plain carman	4.02 per day	8.12 per day
Ticket clerk	72.80 per month	122.11 per month
Ticket clerk and telephone operator	75.83 per month	182.00 per month

If railroad wages are doubled and the cost of steel, also doubled by the war, is to be maintained, and the cost of copper is doubled, as it has been, so that leading mining companies which formerly showed cost sheets of eight cents per pound now show cost sheets of sixteen cents per pound, there can be only one re-

sult, the cost of transportation and all things else must be doubled.

We have added only twenty-five per cent to our railroad freight rates. Facing a deficit on the largest business the country has ever known, Washington still promises reduced rates where the deficit is already rolling up by the hundred million. Though at first confiscatory taxation may pay the price, in the end labor will foot the bill.

TWO DOLLARS VS. EIGHT DOLLARS

ALL over the country the farmers are looking over their back fences for the men to whom they formerly paid thirty dollars per month, with board, and who are now getting by government guarantee eight dollars per day.

Government statistics show that the backbone farmer of this country cannot now and never could put by as much as one dollar per day. For the most part, counting in his living, he is a two-dollar a day man, with unlimited working hours.

There is brewing in this country an antagonism between the two-dollar-a-day man and the eight-dollar-a-day man that Washington will yet hear from.

Every farmer, every man that pays railroad fares and railroad freight and high cost living, knows who is responsible and who is eating up his transportation.

TAXATION MUST BE READJUSTED

SECOND — How to most quickly readjust taxation, that capital may be restored and able to bid for labor by new construction. We are covering a revenue deficit produced under our present tariff bill by war expenditures and bond issues, but the truth will come to the surface before the next election.

War has impoverished a large part of Europe and raised wages in the United States. It is only a question of time when Russia will again produce and export food and Germany produce and export steel and fight to recover on this side of the water her trade in dyestuffs.

We bought of Germany before the war more than ten million dollars of dyestuffs per annum. We had later to produce them at a cost of nearly ten times this amount. Now we can produce them for five times or say fifty million. Soon we may be able to produce them for twenty-five or thirty million, provided capital can be induced to stay in the industry. It can remain there only with tariff protection. We don't need to expand this industry in this country beyond the point of self-maintenance. But with a growing country we can gradually let in Germany's dyestuffs with ten or fifteen million of tariff taxes paid into the treasury; can maintain the present labor and capital engaged in the dye industry and permit German competition under an equalizing tariff tax. And

this is only an illustration of what may be done in many industries.

English wages will not go back to pre-war basis. Britain learned in the war that sixteen shillings or four dollars a week for an agricultural laborer and eighteen shillings or four and a half dollars a week for a railroad porter, as before the war, were destructive wages devitalizing the empire.

In the United States taxation that confiscates property to maintain war wages in peace times is in the end just as devitalizing to a nation.

THE FACTS AND FIGURES

In round figures the problem presented is this: Before the war it was estimated there were some thirty-two million workers in the United States earning an average of more than one thousand per annum, or above thirty billion dollars. The total wage paid to these workers, plus the wages of enterprise and the wages of capital or machinery, was estimated at fifty billion dollars, of which less than ten billion were the wages of capital. The savings for new capital and new machinery were somewhere between five and ten billion and came for the most part from the minority wage paid to enterprise and the machinery of capital.

The war did not expand largely the wage of capital, but somewhat the wage of enterprise and very largely the wage of hand labor, with the result that the gross income of all three classes of workers rose from fifty

billion to not less than eighty billion. Most of the thirty billion increase was paid to hand labor.

To-day, in the division as betwixt capital and labor, the margin for capital is very small; indeed too small to sustain the credit structure of the United States. Hence the danger from bad socialism and Bolshevikism.

EITHER PROPERTY UP OR WAGES DOWN

EITHER the structure of war wages paid to labor must be taken down, as carefully and kindly as possible, or the value of all that labor has produced in building, machinery, etc., must be tremendously increased and with corresponding increase in its rental wage. No man can attempt to build a block on a vacant lot for a million dollars to labor when he can buy the same block on the other side of the street for half a million, or pre-war wages.

Again it is doubtful if the credit structure of the country can safely sustain such valuations.

The issue is clear, either wages come down, or values and equities and rents go up, lifting the country entirely out of the race for international trade and the international markets of the future.

Unless capital is on a sound basis as respects confidence, and is augmented by reduced taxation, whence can come the new oil wells, new coal mines and the new railroad construction to bid for the four million workers that have been produced in this

country since 1913? Since the war began youths under fifteen have become working men, aspiring to labor, and to become heads of families.

This is a larger problem than the four million enlisted men who can for the most part go back to their old places.

Here are not less than eight million workers to be readjusted. More than ten million workers have been in productive activities connected with the war.

Not less than twenty million pairs of hands must be dealt with in readjustment from a war to a peace basis.

Compared with problems of peace, the problems of war were simple and direct.

TRANSPORTATION PROBLEMS

THE astounding spectacle is presented of government destruction, first of railroad credit and then of railroad capital investment, followed by demand that the Government shall enter largely into ocean transportation in direct competition with shipbuilding and ship operation wages that are but a fraction of those prevailing in the United States.

This country has grown great because it performed the service in home development for which it was best adapted. It grew cotton instead of tea, bought sugar instead of raising it, and taxed the outside producer of the sugar and tea for the benefit of the United States Treasury.

It built railroads instead of ships, used the cheapest ocean transportation which other nations furnished, and laid its rails on the prairies in advance of cities and towns, thereby insuring for many years the lowest cost railroad transportation in the world.

We have built emergency ships, many of them of no permanent value and all at tremendous war prices. Eighteen dollars a day has been paid for workers in Seattle shipyards while war wages to the best workmen of the Belfast shipyards were £3 10*s* or about $17 a week.

We exported our oil production to Europe in tankers whose capital cost was forty to forty-five dollars per ton.

The loss under private operation from a hundred per cent efficiency line was about eight per cent, but the loss from United States government operation was about twenty-five per cent, and sometimes during the war, owing to lack of coördination and business experience, the loss by idleness was as high as thirty-seven per cent.

When the closing of the war was in sight ship values fell to £30 or $150 per ton, and around December 1st the Canadian Pacific bought two 10,000-ton ships just finished for £22 or about $105 per ton.

During the war any nation would have paid as high as $250 per ton for shipping.

The cost of British shipping may not go back to $40 per ton, but it is only a question of time when in

the markets of the world our government-constructed ships are not worth $60 per ton, or less than one third their cost, now officially estimated at $225 per ton.

What to do with them is a serious problem. To sail them under present American shipping laws and war wages is through taxation to still further confiscate land transportation and American capital.

DESTROYING THRIFT AND EFFICIENCY

THIRD — How to reduce individual waste and to restore thrift, increasing the capital on which the life of labor depends.

This country does not want European, Asiatic, or Mexican peon wages. It demands not only a living wage, but a wage where thrift and efficiency may accumulate and invest for family and old age protection and material progress for sons and daughters, but it will not long tolerate unjust or confiscatory wages.

There have been two recent discoveries as respects labor and wages. One in England as noted above, and the same in Mexico. The Mexican Petroleum Company discovered that it could make blacksmiths, boat-builders, and engineers out of Mexican peons by improving wage and social conditions. Recently it has been discovered in Southwestern mining operations in the stress of the war that a white man's wages and a white man's social conditions could convert American Indians into first-class American laborers.

Bad socialism, the poison gas socialism based on envy and jealousy with demand for redivision or improper division as respects the wages of machinery and the wages of labor, destroys savings, efficiency, and individual thrift.

Already Washington has decreed the destruction of individual efficiency with the railroads. Efficiency systems in operation on successful railroad systems, covering shopwork, car and engine performances, output and production per man, have gone to the scrap heap by Washington order. Therein is just as effective destruction as though hundreds of locomotives and thousands of cars were dumped into the ocean.

The brain management, good-will, and industrial organization of the railroads are being destroyed with no proposed compensation therefor. Indeed, destruction of this order is immeasurable.

ARTICLE XXXIV

FREE TRADE AND PROTECTION

THE following correspondence may be of interest at this juncture. Many people may be asking, as does Dr. Eliot, President Emeritus of Harvard University, if these War Finance Articles are written from the standpoint of free trade or protection.

DR. ELIOT'S LETTER

Cambridge, Mass.
January 3, 1919

DEAR MR. BARRON:

I usually read with interest your articles on War Finance; and I have just been reading Article LXIX issued to-day. Your style is always vivid, and usually somewhat jolting, like a corduroy road; but your sentiments and opinions almost always commend themselves to my judgment.

But now I find myself uncertain as to your views on certain fundamental matters. For instance, are you a protectionist or a free-trader? Do you recommend that the new American industry in dyes be maintained by a protective tariff against German dye products? You seem to be aware that the total product of the American machine industries is vastly more than the home market can take; but it is not

clear to me that you hold to the fundamental doctrine that a nation which would export a large surplus of its manufactured goods must also import an almost equal quantity of commodities not produced within its own territory, or produced cheaper in the territories of other nations. In this very last article of yours you do not state clearly that private persons or corporations cannot carry on business by paying running expenses out of borrowed money, though I have inferred that this is your opinion. I do not remember that you have ever stated that the industrial warfare cannot be cured by merely paying high wages.

"If the trumpet give an uncertain sound, who shall prepare himself for the battle?"

Sincerely yours

CHARLES W. ELIOT

MR. C. W. BARRON

THE REPLY

January, 4, 1919

DEAR DR. ELIOT:

I thank you for your kind note of January 3d. My tendency is at times to write too smoothly. Therefore I have of late endeavored to put in some "thank-you-ma'ms" to jolt the reader into doing a little thinking on his own account.

Primarily I aim to report facts and stimulate thought therefrom. I try to avoid being classed as either Republican or Democrat, protectionist or free-

trader, gold or silver man, defender of capital or defender of labor, Unitarian or Trinitarian. Neither in school of thought nor in thought do I wish to be located or localized, for, to be useful, I must be progressive. Please do not understand me as yielding an iota in principle. We too often say, "That is the Republican side," or, "That is the Republican view," when we should seek more and listen more for individual and independent thought and viewpoint without party or economic classification.

I believe in free trade in iron ore and all other ores and mineral products, or production from so-called natural resources, but I want a tariff so that Japanese pig iron will not come into the United States at eight dollars a ton when it costs twice that to produce it in the United States. I would tax the Japanese pig iron for the benefit of the United States Treasury the difference between the two costs so that the competition might be in the quality of the work or service.

FOR A NATIONAL DEFENSE

HAVING introduced the dye industry as a war protection measure, I would not permit its destruction by Germany, but I would not permit its expansion. I would maintain the industry basically, and tax for the benefit of the United States Treasury all imports of German dyes to insure a fair price level in competition in this country with the newly established dye industry.

Answering your question more directly, I should say that I should recommend the American industry in dyes be maintained by a protective tariff against German dye products, but I should not recommend its expansion unless it was necessary as in Germany for protection of war industries in national defense.

I believe that nations and continents like worlds can exist in isolated independence in both industry and thought, but that on proper terms of mutual interest interchange of hand products and of thought assists in human development. Protection, refinement in manufacturing and trade for the exchange of products should only be fundamental for human development. If the trade relation is not of mutual benefit, it should not be continued. It is conceivable that a South American country might produce cotton in vast quantity and exchange it across the South Atlantic with negro kings for their surplus black labor, but it would be a long time before mutual benefits and mutual human improvements arose from that trade relation.

CHINA SHOULD BE OPENED

I DO believe, however, that if we could break up the socialism that prevails in the interior of China, and introduce capital organization, constructing in security steel railways, enlarging Chinese production and raising Chinese wages, there would be great mutual benefit arising from such relations between the

labor of the yellow races and the capital, engineering and financial talent of the white races.

You will see from this that I endeavor to look into each trade relation as involving elements, sometimes of protection, sometimes of mutual advantage, but always with the idea of human advancement — intellectual and moral, mental or spiritual, with material advancement only as fundamental to this.

The United States may produce more steel rails than it can consume at home, but I do not see that it is necessary to go on manufacturing rails and to this end drink more Chinese tea that the Chinese may buy our rails.

What can China give us for steel rails but teas and silks?

Now the proposal at London is that the United States and Great Britain shall combine in finance as well as in engineering talent and open up China for the export of the surplus energies of the Allies, and the development of China and the increase of the financial resources of the Allies, which, of course, means an increase in world transportation, in human material development and an enlargement of the profitable capital account of the world.

EXCHANGES NOT ALWAYS BY COMMODITIES

To my view the words "protection and free trade" are very narrow. They compass in thought only an exchange of hand products. But is there not a mental

production which may be exported and capital and financial production not usually comprehended or properly appraised in trade relationships?

The Allies have engineering talent and financial talent and we hope some talent in government and maintenance of law and order. Now for the development of China, we must export largely of all these. Then the rails, locomotives, and cars may be safely manufactured, safely exported, and safely operated. And interest will be paid and for the most part augment the capital account in the country, because it cannot at first be returned, but it can go into credit forms which will open coal mines and oil wells in the interior of Asia.

When China is operating a sufficient number of locomotives to warrant a locomotive and rail industry continually employed within its own borders, I should favor China taxing the import of American rails and American locomotives to the end that such industries might be established locally in China. The American manufacturers of rails and locomotives who tried to jump the tariff wall by lowering export prices would thereby contribute to the Chinese national treasury. In the end China would be producing rails and locomotives, have millions of trained machinists and artisans of various sorts; would be exporting fabrics of silk, art in bronze and gold, silver and copper; could pay her interest to the western nations in anything we elected to take — gold, silver, copper, or pig iron,

silks, dyes, or bronze elephants; and both East and West would be the richer in capital, in commerce, and human progress.

These are my principles for human development. How can I be classed as either protectionist or free-trader? Or how can I believe in theories of exchange of "equal quantity of commodities"?

COSTS IN DEMOBILIZATION

I WANT to thank you personally for the splendid work you have done recently at the State House in opposing Washington theories of paying our labor and running expenses in peace by borrowing money; but even here no general principle can be laid down as a finality. Transition from war prices to a peace base is somewhat a part of war expenses. I would not subscribe to government bonds to pay a dollar an hour to makers of munitions which cannot be used, while the farmer is crying for help which he cannot get to raise food for the world, but I would not instantly close munition factories employing millions of workers unless at the same time I opened public soup kitchens as a national war expense.

I do not understand the phrase "industrial warfare." I see instead a social warfare; elements in society endeavoring to enlarge the wage of hand labor and reduce hours and output without regard to wages of either enterprise or capital. It is not warfare within the industry: it is warfare organized from without.

I am in favor of the highest wage that any industry can pay without upsetting itself or a neighboring industry. I believe that the more units there are in the payroll and in the pockets of all classes of labor, the greater will be in the end the human uplift. In this uplift there will be many mistakes, but we should look at the general result.

HUMAN PROGRESS IS INDIVIDUAL PROGRESS

I SHALL never forget the force of your remarks at the occasion of one of your public addresses when you declared the great benefit to the human race in the public school system was that it saved the sports of society, the remarkable children of parents not otherwise remarkable.

I believe the same thing in respect to many units in the pay-roll. They help to save those who wish to economize and save. They develop the "sports" in the industrial and financial world.

If you pay a family for its labor one lump sum by a wage credit at the company store, there is little room for economic thought or economic development within that family. But give the family the opportunity to exercise thrift with surplus financial units, and increase that surplus by economic purchases and economic consumption, and you have aided in the economic development of the individual as well as somewhat in mental and moral development. Nevertheless some people may be hurt thereby. You cannot

make a whole nation clean within and without by removing all the cleansing fruits of the vine and supplying from one factory all the soap to all the people.

There must be a wide measure of individual liberty for individual development.

I hope you will pardon the length of this letter and sometime tell me if I am wrong in any of the principles or sentiments above expressed.

Yours sincerely

CLARENCE W. BARRON

ARTICLE XXXV

THE BIOLOGY OF WAR

No man near the Peace Conference at Versailles holds more detailed understandings of the problems of Southeastern Europe than Dr. E. J. Dillon, the famous newspaper correspondent and writer. He was among the first of the experts summoned to conference with the Allies at the French capital, then at Bordeaux, when the battle of the Marne first showed the ultimate triumph of the Allies. He is the recognized expert over the politics and social and economic order in Southeastern Europe. He was the close friend of Witte, the great Prime Minister of Russia, and has written books of value on Russia and Italy. Shortly before the Kaiser launched the European War, the Prime Minister of Austria notified Dr. Dillon that he need proceed no further in the treaty of peace for the Balkan States which he then had ready for signature, for there must be no peace in the Southeast that did not recognize the dominant position of Austria.

When the Germans arrived at Brussels, the first house they entered was that of Dr. Dillon. But the documents they searched for were securely lodged with the Bank of England.

THE TROUBLE NOW BEGUN

WHEN, in December, I urged Dr. Dillon to hasten his return to Europe, he replied: "There need be no hurry; the trouble has only begun. The problems of the war are as nothing compared with the problems of peace."

Our own President, as he speaks from Manchester to Rome and addresses himself to "the people," has since very considerably added to the problems of peace. In Manchester, England, he declared: "We will join no combination of powers which is not a combination of all of us. We are not interested in the peace of Europe, but in the peace of the world."

To President Wilson's fourteen essential points for peace, the French Premier Clemenceau could only respond: "Le bon Dieu was satisfied with ten."

Close scrutiny of President Wilson's fourteen points will show that he is attempting a universal enforcement of only one of the Ten Commandments: "Thou shalt not kill!"

The thunders of Sinai and the Finger of Jehovah on the stone tables of Moses spoke this Commandment no more distinctly than that other Word: "Thou shalt not steal!"

Man slays his fellow man that he may steal his goods. Nations war upon nations that they may take their lands, their trade and their properties. Stealing,

or defense against stealing, is the fundamental aim in individual and national killing.

THE REACTION FROM WAR

"WAR is hell," said General Sherman. The biological student of human nature will confirm the historical student that one hell begets another. To-day there is an era of stealing rampant throughout the whole world. In Russia it is Bolshevism; in Germany the movement is headed by the Spartacans; in France by the red socialists denounced by Clemenceau as "vermin"; in Great Britain it is rampant with the coal miners who demand confiscation in the name of nationalization; in the United States it is political stealing by confiscatory taxation.

When the civilized world faces a common foe and is united in a common aim, then the law is service and self-sacrifice. When the battle is won, sacrifice in mutual service rests for a time, and "self-determination" with all its selfishness comes to the front. Man is then most distinctly seen as in vibration between selfishness and service. The side of hell, or of self, is now coming into view, and the energies developed by the hell of war have play in the hell of individual and collective, commercial, financial, social, racial, and national self-service.

An active directing brain in one of the great manufacturing and distributing services of the United States was puzzled for many weeks after the Armis-

tice to find that instead of rejoicing and mutual congratulations, mutual helpfulness and brotherly love in this country, there immediately burst forth a spirit of unrest. The industrial staffs about him manifested dissatisfaction with their conditions and wages. Even husbands and wives, as guests at his home table, became quarrelsome. Where he had looked for spiritual uplift, commercial and economic peace and ambitions for mutual progress, he noted bickerings and strife. The war tension and the unity of purpose had ended and it was then every man for himself.

NO VIRTUE IN VICTORY

While a war for conquest reveals the worst side of human nature and a righteous war of defense reveals the best side, there is in both only the revelation of the evil and the good that previously existed. The victory adds no virtue to those who triumph, and brings no immediate reform with those who fail in the physical contest. The arm of the strong may go down in defeat when "the strength of the slain enters into the arm of the conqueror," according to the Sandwich Islands proverb. But the great truth still remains: "The way to heaven is heaven." Only in mutual service is there a mutual heaven.

The war ends many mutual and heavenly services. Bickerings and strife, individually and nationally, begin.

WHENCE IS FREEDOM

CIVILIZATION has fought a great war for freedom, but how few people realize that with the light there must be the shadow, that the absence of good is the creator of evil, and that human freedom is only a zigzag course 'twixt heaven and hell — 'twixt selfishness and service, and that there can be no human freedom in this world without the hell that is in humanity! The pulpits would abolish hell because it is the common enemy, but the Ruler of all must permit it in the maintenance of human freedom — freedom always and from beginning between two opposing and never-ending forces.

If Germany had been beaten by France or England there would have been no human progress — just a readjustment of powers, lands, and indemnities. Belgium, France, the Empire of Great Britain and the Kingdom of Italy did not fight for a universal or world peace, but in defense against the greed of a military autocracy. The United States came in and we have a triumph for human and political freedom in democracy.

THE RIGHT OF POSSESSION

Now democracy has its greatest battle. It is no more a battle to maintain the Sixth Commandment than it is to maintain the Tenth or the Eighth; for covetousness and stealing are foundations for killing. Yet

to whom and where to-day shall one look for preaching in defense of property and possessions and against covetousness and stealing? It has been assumed that our declaration of rights embraced the right of possession. Does it? We had thought that true freedom lay in "the right to life, liberty and the pursuit of happiness" as expressed in the Declaration of Independence and guaranteed by the Constitution founding modern democracy.

The right to work, to save and to possess the fruit of savings was regarded as so fundamental as to be beyond the necessity of words in assertion. Now the right of possession, as well as the necessity for savings, thrift, accumulation and invention, are not only questioned but denied throughout the world by growing minorities. Let us not be alarmed because the issue is raised, for the necessary truth must rise to meet it. Without issues and without dissatisfactions there is no human progress.

AUTO-INTOXICATION

Some time, when science has made further progress, a volume may be written on decay and dissatisfaction; yeast and fermentation, whence comes new life. The volume must run from the Gehenna of Jerusalem to the hookworm of the tropics; from the bacterial life of sewage and soil to auto-intoxication and the failure to eliminate in the human system. It is the same in society, in political life and in nations. It is

always the question of elimination and who and what shall be eliminated. There is no resolvent in the cry for a universal peace embracing good and evil, pirate and merchant, burglar and citizen.

All finance must reach down to fundamentals of human nature, and war finance must touch the forces of security and strength founded upon morality and honor for endurance.

Sound finance finds security exactly where J. P. Morgan placed it; first, in honor with character and ability. Collateral is only a secondary security, and when either collateral or honor is impaired, finance and credit rest entirely upon selfish interest. There have been times when a forged endorsement added to the security. It was the interest of some one to see that that note was paid in advance of all others.

Treaties like promises can always be maintained so long as they are to the interests of both parties.

Germany signed the armistice and then immediately declared: "Feed us and protect us; give us ships and trade or we are no asset to you." Germany marches her "unbeaten army" across the Rhine in triumph and leaves all the issues of war and peace with her enemies.

IN A DROP OF HUMAN BLOOD

EVERY war brings forth the brutish side, the selfish side, the hell side, not only of man, but of his ancestry. The Russian in revolt slays as he has been slain

by tearing limb from limb. The scientist finds support from every war for his declaration that every drop of human blood holds in potentiality the characteristics, the acts, and the crimes of all the man's ancestors.

If you think this declaration can be disputed in either peace or war, step into the Harvard Medical School and ask Dr. W. T. Bovie, searching with all the known sciences of the world for the germ in cancer, to show you the cell of a living organism magnified by five thousand diameters, or more than double the number of diameters in the most powerful microscope you can purchase. Have him throw upon the screen what very few eyes have ever yet seen, the minute radiations that will grow from that single cell — known to science to-day as only eighty-five per cent water and fifteen per cent protein — and divide and multiply as they expand in living cells, every one repeating such characteristics as color of hair and eye. Then you will be ready to believe that everything that ever was within peoples and nations is still within man, and characteristic of himself, of his country, his ancestors and his descendants.

You will then know that Kaiser Wilhelm II was nothing but an accentuated or a degenerated Frederick the Great; that South Germany can produce a Dr. Muehlon, but Prussia cannot. You will understand in a measure how the hell of greed and pride from the ancient Huns was reborn in the Hohenzol-

lern victory at Paris in 1871 and reborn with such force as to bring disruption, if not destruction, to all Germany in forty-three years or practically one generation to 1914.

IN THE WAKE OF WAR

HELL is in every war and often begets a bigger war when greed exploits ignorance. The Northern carpet-bagger disrupted the South with a promise of "forty acres and a mule" from Father Abraham, and for a time got away with the negro vote and the state treasury.

Twenty-five years of hell followed the French Revolution of 1789. The Girondists, who had guillotined the aristocrats, were guillotined by the Jacobins, and these by the bourgeoisie or middle class. Then the guns of Napoleon thundered and the new century crowned him as emperor and sent him forth to seek tribute and world dominion. He ended at Waterloo in 1814, and Metternich of Austria, from the Congress of Vienna, united the kings of Europe in secret league against democracy. England did not approve, gave a hint to the United States, and the Monroe Doctrine was set up on this side of the water in protection of democracies.

Now President Wilson throws overboard the Monroe Doctrine, denies our responsibility in Mexico, and calls for a universal peace of all "the peoples," while the Allies, under democracy assembled, seek to

establish order and defenses against piracy from the "All-Highest" Hun and the "All-Lowest" proletariat.

BARRIERS IN EUROPE

If we have pride in democracy and believe that it can be defended wholly by words and phrases, we shall again learn that every heaven-born event is stung with the seed of hell in man's greed and selfishness and in due time explodes and makes a new life. There is only one great lesson before the world to-day. It is the lesson of history. It is the lesson of human nature.

The Hun and the Turk, unchanged, unchastened and unregenerate, are barriers in Europe to-day between the East and the West. Every city and state as well as nation has disrupting seeds at its base that must be carefully watched. The same human elements and characteristics that rioted in the French Revolutions preceding Napoleon were in the same commune that burned the Tuileries and overthrew the Vendôme Column eighty-three years or two generations later.

WHERE BOLSHEVISM BREEDS

Poverty is not the sole creator of revolutions. The strikes and riots at the Carnegie Steel Works were promoted by the men who got thirty-six dollars a day and went to their furnaces with coachmen and

footmen. The anthracite coal contractors, and not their laborers, promoted the coal strikes.

Bolshevism is rampant throughout the United States. The danger is not in the ten thousand foreign Bolshevists in internment camps, or wholly in ten thousand still at large and under surveillance. The danger is in the insidious political forces cultivating the votes of ignorance and demanding redivision of the fruits of labor, limitations to individual fortunes and individual success, and state appropriation of transportation, methods of communication, and all charities and educational systems such as the Carnegie and Rockefeller Foundation and the universities.

A DECLARATION AND ITS ANSWER

It is declared that no comparison can be drawn between Russia and the United States because in Russia ninety-three per cent of the people had nothing and of the seven per cent with possessions, one per cent represented German efficiency, lost by the war; that eighty-five per cent of Russia is ignorant and eighty-six per cent on the soil practically without the self-interest of ownership.

The answer is complete. In Germany more than ninety-nine per cent of the people can read and write, have the maximum of efficiency and organization, but these were no protection against ambitions to steal from their neighbors less well organized and less well defended.

To-day in the United States four million men in labor unions demanding wages which cannot be paid to food producers declare for "no bayonets — only our fists" — and they are sustained by interests seeking votes and newspaper exploitation and threatening riots and "war for wages."

The demand is that capital shall be taxed to pay war wages in time of peace. This is only Bolshevism thinly disguised.

THE CASE OF SWITZERLAND

WITHIN twenty-four hours of the signing of the Armistice, the oldest existing republic in the world, that of Switzerland, was for four days practically overthrown by eighteen Bolshevists sent in from Russia with fifty-two million francs. The newspaper officers were seized — note the work in Berlin; and from Washington with wire, cable and transportation control by both land and sea — and for four days the Swiss railroads could not move a train. The newly elected president of the Republic, Gustave Ador, formerly the head of the International Red Cross, acted promptly. He confiscated the Bolshevists' propaganda and money and bundled the eighteen agitators into automobiles whence they were dumped into Austria and by special train sent back to Russia.

Has Switzerland any New York East Side, or any Wall Street target for the Bolshevik press, or any undigested foreign population?

ARTICLE XXXVI

CANADA'S ADVANTAGES

MR. C. R. HOSMER, a director in the Bank of Montreal and of the Canadian Pacific Railway Company, in sending his personal Christmas greetings, wrote as follows:

"DEAR MR. BARRON: We have had on our Stock Exchange here, since the armistice was signed, an active and advancing market. Stocks are being purchased at rising prices and we cannot understand why such a cloud of pessimism should be settling down on your market, particularly as the United States is the one country in the world that has come out of this conflict away ahead in every possible respect."

CANADA'S ADVANTAGES

MY response is that while Canada has still great transportation, racial, and political problems, she has the greatest available unturned agricultural soil in the world, and she has these advantages over the United States:

(1) She has a centralized financial system of older date than that of the United States, now centralized in the Federal Reserve.

(2) She has confidence in her financial system and

the support it can receive in home brains and foreign capital.

(3) She has made the first real transcontinental railroad system and annexed ocean transportation thereto. She has not, therefore, the business of building sailing ships costing four times the price in other countries.

(4) She has not the problem of settling the finances, the peace, the form of government and the social structure of the whole world and making liberal financial contributions for experimental ideas.

CANADA'S FINANCIAL SYSTEM

WHILE the leading men of Canada, as of Great Britain, regard the Federal Reserve System in the United States as in many respects the most modern centralized, government-protected system, and one whose influence may yet vitally affect all other financial systems as they are reconstructed, we have as yet no data by which to measure our government financial system in reconstruction following the war.

Before Canada or other nations remodeled upon the pattern of the Federal Reserve System, the world must view its constructive side.

The true story as to how the Federal Reserve System was used to batter down the credit of the Allies in this country just preceding our entry into the war has never yet been told.

I have intimations from members of the Federal

Reserve Board that they became frightened over proposals for widely extended credit to the Allies in the United States. But I see no evidence that the Federal Reserve Board is frightened over excessive taxation destroying capital, or over money rates in the United States (declared to be the only world reserve of credit) above the money rates of London and Paris.

The lack of confidence manifested at Washington begets a lack of confidence in the states that is in sharp contrast with the confidence Canada manifests in her centralized business-banking system. In time the United States may manifest the superior confidence enheartening her Allies and the world.

SUPPORTING CAPITAL

THE financial system of Canada has been able to look to two other reserve centers, one in the United States for temporary loans, and one in England for new capital.

The war, which at first frightened financial Canada, has really given her financial independence.

She believed she was in financial distress when she discovered at the outbreak of the war that her banks owed some four hundred millions outside the country. But Canada straightened up for the fight and when, in 1915, the Government asked for fifty millions, the people offered one hundred and thirteen million and the Government took one hundred million.

CANADIAN GOVERNMENT LOANS

In September of the next year the Government asked for one hundred million and the people offered two hundred and one million. In March, 1917, the Government asked for one hundred and fifty million, and was offered two hundred and fifty-four million; and in November the same year the Government made another request for one hundred and fifty million and the response was an offering of four hundred and nineteen million. A few months ago the Government opened wide the throttle and offered five hundred million tax-free fifteen-year 5½ per cent bonds.

It was a tempting return and the people who looked in the face of financial distress in 1914, just a few weeks ago covered this five hundred million by an offering of six hundred and seventy-six million.

This was only a part of Canada's expansion during the war. For her bank deposits increased by three hundred million, enabling the Canadian banks to lend the British Government two hundred million dollars. Besides this the Canadian Government itself gave to Great Britain a credit of more than five hundred million dollars.

CANADA'S INDEPENDENCE

Is it any wonder that Canada has confidence within her own borders and appreciates her financial independence, her home markets and home securities?

Canada has not yet reached the stage where it is considered politically right to rob the widow and the orphan of the family savings. Canada has a railroad system that stretches from ocean to ocean and, with railroad-owned ships, belts the world so that Canadian transportation may follow the sun around the earth.

In the United States before the war we were not only cutting steamboats away from railroads, but dismembering railroad systems.

Now we begin to see that the solution of our transportation problem may lie in following the example of Canada and creating transcontinental systems owning steamers on both the Atlantic and the Pacific. The problem is, now that we have no Harriman, how best to get efficient transcontinental systems. We have robbed the railroads of credit and of their legitimate and fair values under the false cry that the railroads are owned in Wall Street, when, as a matter of fact, the money in our railroad transportation is not Wall Street money at all, but is savings bank money, life insurance money, and the family savings. Because of lack of concentrated ownership, political robbery in transportation has been easy.

SOUND TRANSPORTATION IS FUNDAMENTAL

But let not Canada be too confident. Although as a people we have stolen from the railroads more billions of value than could possibly be represented by the bil-

lions we have put into ships, we could, if wise counsel should prevail in the United States, complete our shipping programme, make a halfway restoration in railroad values, merge the two, and slice out four or five east-and-west regional railroad systems owning ships on all oceans and restore American transportation credit and sound investment values, with private enterprise and a single governmental control.

But truth to tell, we have not at the present time sound business, sound finance, sound credit, or sound investment values in transportation for our country, either on land or sea. Sound transportation must underlie the whole economic structure of the nation before it can go forward with confidence at home or abroad.

We have all the political troubles in transportation from which Canada has suffered, and very many more.

DESTROYING INDIVIDUAL EFFICIENCY IN UNITED STATES

I MUST tell Canada a secret that has not yet been told the people of the United States.

Orders have been sent from Washington that if the employees in railroad shops object to piece-work the shop may be put on day wages. This is the entrance from Washington of the Soviet form of government in our railroad administration. It has been preceded by the scrapping of the efficiency systems, piece-

work, and individual records which have been carefully built up on several great American railroad systems.

In the Canadian Pacific ninety per cent of the shop-work is on a piece-work basis rewarding individual efficiency.

In the United States political control during the war has robbed transportation of individual and collective efficiency and is threatening to restore to the owners disrupted organizations and inefficiency unless owners will consent to a further term of five years government experiment.

OUR NATIONAL CRIME

THE Washington threat is the confession of the Washington guilt.

Members of the Cabinet declare their twelve thousand dollar salaries are wholly inadequate, but the Washington Administration has been engaged in chopping seventeen million dollars out of the salaries and brain efficiency of the railroads while expanding the wages of the hand workers by more than seven hundred million dollars.

If one investor or group of investors owned all the railroads in the United States, had rented to the Government on the government terms as they were taken over, and had now to strike a balance-sheet in appraisement of property, organization, railroad rates, and railroad wages, could there be any other declara-

tion than that so far from earning seven hundred millions per annum toward a rental bill of nearly a billion per annum, the railroads had really earned nothing and had actually gone behind according to the inventory and the profit and loss exhibit?

Railroad capital has been shrunk; the widow and the orphan have been crucified; and muscle labor is organized with votes and Bolshevik newspaper propaganda.

Canada has a vast country that invites individual and pioneer enterprise in transportation.

Government control of transportation in the United States will kill individual initiative and enterprise and arrest agricultural and industrial development.

OUR OCEAN DANGER

JUST when the United States is facing an era calling for individual initiative, individual exploitation, inventive genius in internal combustion engines and oil bunkers filled with American oil for ships throughout the world, it is proposed to put the United States Government into the shipping business in competition with the whole world with ships costing four times former prices and wages double those on the competing foreign ships. And the United States ships will be under three jurisdictions; the home jurisdiction, the foreign port jurisdiction, and international jurisdiction.

Is not the transportation and the shipping situa-

tion of Canada as compared with the present uncertainty in the United States rather enviable?

With the Bolshevik programme that has prevailed and is prevailing in the United States land transportation, is the prospect for government ocean transportation pleasing? Is the bill eventually to be paid both for land and ocean transportation, as well as for the war, by the few instead of the many?

TAKING THE FEW INSTEAD OF THE MANY

THE present policy of the government according to Josephus Daniels and all his associates in the southern states is to make sure that taxes rest upon the owners of property and not the consumers of goods.

It has been declared that the United States will go ahead after this war as it did following its internal war from 1861 to 1864.

But in that war the people fought and the people paid the taxes down to duties upon their umbrellas. The people likewise paid for protection and they protected their industries and their labor with duties upon imports which fall measurably both sides the line.

But to-day in proposed revenues to raise six billions, who points to the less than two hundred millions of annual duties on imports, taxes on foreign productions that are scarcely worth the cost of collection or customs house maintenance? Yet the capital of the country that is expected to build, and in the

near future employ the increasing labor of the country, is to be taxed out of existence.

THE UNITED STATES IN THE CIVIL WAR AND THE EUROPEAN WAR

THE position held by the Northern States at the close of the Civil War is not the position of the United States to-day at the close of a world war. It is rather the position of Canada that emerges from the world war stronger in unity, stronger in finance, stronger in transportation and in position to bid more strongly for the immigration and capital of the world than any other country on the globe.

The war in the United States destroyed human slavery and gave such dignity and value to labor as to double the total wealth of the United States, put the corn and wheat of free men king over slave-grown cotton, and put into power a party that protected labor and protected the capital that bids for labor.

Our Civil War inaugurated an era of savings, thrift, and investment. The capital thus developed bridged the Hudson River, changed eight railroad gauges into one, ironed the prairies, developed the sewing machine and shoe machinery, opened the oil fields, built the Chicago packing houses, and bid for the labor and capital of the world.

To-day in the United States the proposal is to restrict immigration, to confiscate capital, to destroy

individual initiative in railroad construction, to prosecute the developers of shoe machinery, to make cotton again king over wheat and corn, and to prosecute as profiteers the Chicago packers who cannot find two cents profit on the dollar of their gross business.

The danger of the United States to-day is concentration in the cities with no protection to capital or labor.

Canada has not this dangerous concentration, has the boundless prairie, and has protection and freedom for both capital and labor.

EIGHT DOLLARS A DAY VS. TWO DOLLARS A DAY

In the United States the decree seems to be that because some men have attained a standard in war wages of eight dollars a day, millions in the future must go without employment.

Has not the Government set the standard at eight dollars a day for railroad labor, and have not the people, in the Congressional elections, repudiated the Government?

Does the eight-dollar-a-day railroad wage stand?

The financial trouble in the stock market at the present time is that nobody can tell in the contest that is now on between the two-dollar-a-day man and the eight-dollar-a-day man who is going to win.

If the two-dollar- or three-dollar-a-day man — the man near the farmer line — wins and there is universal employment, values are not high in this country.

If there is compromise and the former two-dollar man goes to three dollars a day and the eight-dollar munition worker gets promptly reclassified, as to whether he is a farm laborer or a four-dollar or five-dollar-a-day mechanic, so that all may be promptly employed, values, equities, and all real properties in the United States will be found very cheap.

But if the eight-dollar-a-day standard for eight-hour days of labor wins and can be maintained in this country, equities as reflected in the stock market are to-day selling at twenty-five cents on the dollar.

They are to-day under the shadow of visionary and dishonest political leadership and standards in education with the pulpit and the press that do not permit the mental, to say nothing of the physical, equipment to meet the threats of Bolshevikism.

ARTICLE XXXVII

THE NECESSITY FOR CAPITAL ACCUMULATION

January, 1919

As there has been a persistent demand for the publication of these War Finance articles in book form, the present series, which began with the letters from Switzerland, must end here.

This series terminates at the moment when the issue before the whole world is Bolshevism. It is knocking at the peace table for recognition. It is demoralizing industry, thrift, and savings. It promises something which nobody has yet been able to define except as a hell aftermath of war.

I can write nothing on this topic in improvement over what I find in my portfolio as remarks before the Boston New-Church Club, March 13, 1918. One often speaks better under the spur of the moment, in refutation of error, than one can write in personal seclusion. The discussion of this Club, composed largely of clergymen, was on the topic "Leon Trotzky's New Book." It was not my subject, but I was invited to conclude the discussion.

I spoke rather warmly for about fifteen minutes and a minister asked me if I would not write it out, as it was exactly what the clergymen needed. They were reading, he said, cheap popular literature that ap-

pealed to one's sympathies and with little knowledge of sound economics. The next day, between New York and Boston, I dictated what I had said, but, fearing I might be wrong, I would not permit its publication. I wanted to see if any good thing came out of Russia.

Consulting it to get some data on Bolshevism for the closing of this series of articles on War Finance, I find I cannot change a sentence, and need not take back a word.

This month at the Boston City Club before the Franklin Typographical Society celebrating the anniversary of the birth of Benjamin Franklin, I made the same argument in defense of capital as machinery necessary to bid for and maintain the world's labor.

Then Father James J. O'Brien, son of ex-Mayor O'Brien, of Boston, grasped my hand and said: "I wish you would come out and address the Catholic clergymen of Boston. We need your argument."

Anybody who now wishes to circulate these remarks on Russia, Bolshevism, and the arrest of the growth of capital is welcome to reprint them and circulate them without regard to any copyright.

ADDRESS OF MARCH 13, 1918

THE trouble in this world to-day is that the people do not think soundly or down to fundamentals. Two extracts of a few words each from Emanuel Swedenborg are worth more as illuminating truth than all there is in this book of Trotzky's. I have read the book be-

cause I had to, but I tell you Trotzky's book is not worth reading. Here is what Emanuel Swedenborg says in "Heaven and Hell," and in the Hell part of it. He says it here and he does not say it in the first part of the book which is about Heaven, or in the nineteen volumes preceding because they are the spiritual interpretation of Genesis and Exodus:

THE FUNDAMENTAL TRUTH

"THE only means of restraining the violence and fury of those who are in the hells is the fear of punishment; there is not other." — *Heaven and Hell*, No. 543.

"The only means of restraining and subduing, thus of keeping the infernal crew in bounds, is the fear of punishment. There is no other means; for without the fear of punishment and torment evil would burst forth into madness and the whole would be dispersed." — *Heaven and Hell*, No. 581.

This is the fundamental truth. Hell has burst forth in this world under the leadership of the Huns, and Hell must be restrained and punishment must be meted out. There is no other safe way. Heine declared many years ago: "The Prussian was born a brute and civilization will make him ferocious." The Prussian prepared for world conquest under the present Kaiser. The scheme was a bold one. It was not only the making of Germany one vast military camp, but it embraced a plan to demoralize the order and governments of all the nations, east and west, by the spread of poisonous doctrines of socialism. There are forty

to sixty kinds of socialism, some worthy and some unworthy, and some dangerous and destructive to society.

GERMAN INFLUENCE

PRUSSIA spread the poison germs of destructive socialism just as she poisoned drinking-wells and inaugurated the use of poison gas in warfare. She regarded it as a biological necessity to spread the poison bacteria of destructive socialism.

Every kind of socialism has been propagated from Germany and the dangerous kinds have been spread in the interests of the military party that governments might be disrupted and anarchy follow. Then the strong army of Germany with its efficiency and military organization would be welcomed to restore order and set up military autocracy.

Germany trusted to her home military power and organization to keep the poison within bounds at home. So effective was her propaganda that she was able to make record in her official report in 1913 that in every one of the internationals — these socialistic, I.W.W., and anarchistic organizations of which Trotzky speaks — "German influence predominates."

MEXICO AND RUSSIA

Two of the richest countries in the world are Mexico and Russia. One is the richest country in minerals and

the other the richest in possibilities of agriculture. Both of these countries have been bedeviled by poison I.W.W. socialism that would put hands and feet at the top and the head underneath, upturning all government and order.

And, for a large part of this bedevilment in both countries, an American writer and propagandist, Lincoln Steffens, is responsible. He assisted to give Mexico her present I.W.W. constitution which was written and is now supported by German I.W.W. people in Mexico.

Trotzky would never have been in Russia but for Lincoln Steffens. Trotzky, whose real name is Leber Braunstein, was thrown out of nearly every country in Europe and had to emigrate to America. He worked on the East Side of New York City as a reporter for certain newspapers for a few days in the week. When the Russian Revolution opened every prison door in Russia, and broke down the military front, Braunstein, *alias* Trotzky, borrowed some money to go to Europe. The British Government had his record and detained him at Halifax, but Lincoln Steffens was at Halifax. Telegrams went to Washington and secured permission for Trotzky to sail.

He went to Switzerland; from there the German Government provided him transportation into Russia. Trotzky's claim is that he is an internationalist and not a nationalist, and believes in the destruction of all present governments and social order, and therefore

he declares it is immaterial which government contributes to him or forwards his propaganda. He is against them all.

I.W.W. PROPAGANDA

LINCOLN STEFFENS is of the same order. On the train between New York and Boston, one day, Lincoln Steffens told me that he had been investigating the I.W.W. propaganda at Lowell and Lawrence at the time of the Washington Mills and American Woolen Company strike maneuvers under the leadership of the I.W.W. He said: "Barron, I cannot see but that the I.W.W. people have the better of the argument. Labor produces all things and is dictated to by brains and capital. Give labor what it creates, which is all things, and it can hire brains and capital at less than is now paid. The Morgans, the Rockefellers, and the Vanderbilts would then work for less and the laboring man would have more and what belongs to him." I said: "Tell me this: On the hillsides of the mill towns you have visited are homes, houses, and factories built by American hands a generation ago. The majority of the mill workers in those towns to-day are recent comers from abroad: Poles, Austrians, Bohemians, Czechs, Slavs, Greeks, and other Eastern peoples, most of whom have not been at work in those towns except during the past two or three years. How much of those buildings, those houses or factories or machinery, do they own? Do those brick walls of right belong

to the American masons who built them for wages many years ago, or to the immigrant who now works within them?" He said: "Barron, you have got me. I cannot answer that question."

MAKE THEM ANSWER

Of course, he could not answer it. Poison Prussian socialism has many such questions to answer. Indeed, destructive socialism raises more problems at the beginning than the whole world could answer practically in a hundred years.

Trotzky himself is beginning to talk, and when he enters into discussion instead of making promises he is undone. Washington has his record, and it has announced within a few days that German money backed him in his Russian campaign, but here is his latest record in the *New York Independent* of March 11th which has just been issued. When interviewed at Petrograd he declares: "Committees of workingmen will supervise factories, management, and profits, and the owner of a factory will not be allowed to close it even if unprofitable. The Government through the workingmen's committee will take charge of it and operate it." Of course this raises a lot of complex problems as to the division of the deficit. Will the workmen take reduced wages? If the owners could not make it pay, how will the workingmen? Will several more untrained heads taken from the body of hand workers increase efficiency?

SEIZING DEFICITS

BUT all these questions poison socialism makes no attempt to answer. It simply declares that if things are not right and there are no profits, seize the property. Indeed, they may seize a deficit, but how to turn the deficit into a profit, they know not. But right here when the reporter asks Trotzky about communal interests, each village being independent in its industries, he instantly sees the impossibility of the plan and says that such socialism will never do except in small villages and agricultural sections, but that in Russia all the country is interested in the coal supply, which comes from a single district, and all Russia must have part in this coal supply.

There goes over your whole local argument of socialism and all this nonsense about self-determination of peoples. The whole of Russia must have an interest in and be able to get at Russia's coal supply. There can thus be no such thing as self-determination of peoples locally. The thirty-two German States cannot be any more self-determinate than the fifty portions of these United States. The Welshman can be no more self-determinate as respects England than the Yorkshire man can be self-determinate or the Devonshire man. We have all got to be more united in the whole and held together in a broader internationalism. Self-determination must go by the board.

WORLD-WIDE ECONOMIC IGNORANCE

Now, what is the fundamental ignorance within this Russian volcano and the attempted break-up of the order and industry of the whole world?

The intelligence and the organization in the attempted break-up is Prussian and is in the Prussian scheme for world conquest. The ignorance upon which it relied is the world-wide ignorance concerning the true relation of labor and capital.

In China a man balances two baskets at the ends of a pole over his shoulder, and moving back and forth on a two-foot highway he can carry a ton one mile for a day's work. He receives ten cents a day, and that is the rate for transportation in China for 400,000,000 people — ten cents a ton a mile. Capital has never been cultivated or accumulated. Railroads have not been built and the steel machinery of transportation is not to be found within China.

THE CHINESE TRANSPORTATION PROBLEM

Now turn to the United States and see rates for transportation half a cent a ton a mile, or five per cent of what it is in China and the rate for man's wages nowhere less than two dollars a day, or twenty times the Chinese wage. In other words, the daily wage scale here is more than twenty times the wage scale in China and the cost of transportation in China is twenty times the cost of transportation here. If trans-

portation is twenty times higher in China than in the United States, the American workingman with wages twenty times higher stands in relation to transportation as 1 to 400, for 20×20 is 400.

China has a well-nigh perfect socialism. Wealth is frowned upon and is concealed and not put into large units of construction enterprise. The people are all on one dead socialistic level that we should call in this country something worse than poverty; for women are sold and babies are slain in the solution of the food problem which is largely a transportation problem.

WHAT CAPITAL IS

In the United States we have had freedom, liberty, and democracy for less than two hundred years to contrast with China's two thousand years of experiment in socialism. In this time we have had the incentive to labor, and to save and to accumulate; and the capital that the labor and savings have accumulated is the machinery of America, the largest and most valuable unit of which is transportation. Now capital is nothing but accumulated days' labor. The incentive to labor is in the right to accumulate, to possess, to have, to put savings into machinery and have the machinery labor for us; to plan, to gather fruit, and to put into store that our families and our children may have better conditions and may likewise hold and possess and receive the fruits thereof.

The surplus and the savings from labor have made the capital of the world and this capital is represented in machinery, in houses, in homes, in highways, canals, ships, bridges, roads, cars, and locomotives.

WHAT CAPITAL DOES

ALL the machinery of capital, all this accumulated days' labor, bids for the living labor of the present and raises the wages of living labor from ten cents a day to our two dollars and more a day.

The giant locomotive on the New York Central Road, carrying a few hundred passengers at lightning speed between Chicago and New York, bids for a living, intelligent, skilled hand, clear eye, cool brain, and quiet nerve to hold the reins of that iron horse, and behold the transformation! From ten cents a day on the highway of China I can name in contrast a locomotive engineer over sixty years of age who handles that iron horse for less than four hours every other day (for he must rest a day between each trip), and his wages are not ten cents a day, but twenty dollars for his working days, and indeed more than ten dollars a day for every day in the week, and his average day's labor is not two hours per day of the six days of the week.

Who wants the labor at ten cents a ton a mile that works on the Chinese highway? All the material civilization, all modern progress, all the capital of transportation, bids for the American engineer, not at two

dollars a day, or as 400 to 1 contrasted with China, but at five times two dollars a day, or as 2000 to 1 as contrasted with China.

This is what capital, accumulated days' wages, can present as a picture of progress in the United States.

All the accumulated days' wages in the country bid yet higher for the engineer that can design the locomotive and still higher for the engineer that safely bridges the streams and economically levels the hills.

THE ENGINEERS OF CAPITAL

And again capital bids higher for the engineer in economics that can summon the millions to build the bridges, level the hills, lay the rails, and buy the locomotives; for he is the modern financier who borrows the accumulated wages and builds for these wages with promise of profit.

Yet over him is a higher engineer. The clear-eyed, cold-hearted banker and trustee of accumulated wages. He withholds credit from the untrustworthy engineer of economics and of enterprise and welcomes the worthy captain of industry and banks his own reputation, some of his fortune, and some of the fortunes of many others, upon his success in the undertaking. Accumulated labor divides with or pays its necessary tribute to the trustworthy banker who successfully directs its accumulated billions. Here arises

your multi-millionaire who is your capital engineer, a necessary product in modern economics, material civilization, and material progress. Level him down by the Bolsheviki of Russia or the socialism of China and everybody alike may have his ten cents a day or his chance of starvation.

THE BANKING ENGINEER

MEASURE him as a multi-millionaire against the transportation engineer in China and if the engineer at the American locomotive throttle was as 2000 to 1, your banking engineer directing billions is as many hundred thousands to one.

If a banking engineer makes a mistake, throws the switch in the current of capital the wrong way, millions and billions of days' wages go into the ditch and the loss to the owners is not so great as the loss to the world from the destroyed use of the accumulated savings. John D. Rockefeller lay on the grass of an English lawn some years ago when a telegram arrived summoning him to London. He reached in his pocket for a few shillings to pay his fare to the world's financial center, and he, the richest man in the world, did not have the shillings. He appealed to his wife and together they had not enough to pay for a ticket to London town. But his wife's sister, who was a school-teacher, had her wages in her pocket-book and between them they could pay Mr. Rockefeller's fare to London.

HOW CAPITAL WORKS

Now, where was Rockefeller's money? Just where it is to-day; in holes in the ground called oil wells, in level pieces of ground with expensive strips of steel called railroads, in other holes in the ground called coal mines!

Every dollar of Mr. Rockefeller's, outside the few pennies in his pocket — ninety-nine and ninety-nine to one hundred of his vast fortune — is pumping, refining or shipping oil for you and me, is digging coal for you and me, is in the rails of the Pennsylvania or the New York Central or in the equipment of the New York, New Haven & Hartford Railroad; and all of them are working to keep you and me and the other fellow from starvation, to keep us warm and to transport us safely. The wages paid on that capital are infinitesimal compared with the service they perform to you and me, and more than ninety-nine per cent of the wages that we do pay in the form of interest and dividends for the use of that capital goes back to pump more oil, dig more coal, buy more locomotives, and build more railroads.

And just because capital does go back into expansion of the nation's transportation and industrial life, you and I are not alarmed when we read that our food is no longer produced on neighboring farms, in an adjoining town, or in the next county, but five hundred and a thousand miles away, while we make boots

and shoes, electric dynamos, woolen and cotton fabrics, and ship them around the globe for daily food and daily profit. The world goes forward as that profit is accumulated, and again put at work in the public interest and at a steadily lessening average wage or interest as compared with a steadily increasing wage for living labor whose hand and brain direction capital here steadily and increasingly bids for.

THE END

This book should be returned to the Library on or before the last date stamped below.

A fine of five cents a day is incurred by retaining it beyond the specified time.

Please return promptly.

DUE NOV 3 1910

FEB 7 1929

OCT -5 '38

H 801.206.15
War finance,
Widener Library
001339365
3 2044 087 994 141